

Prior sections 1794 to 1799 were renumbered sections 3694 to 3699 of this title, respectively.

Prior sections 1801 to 1806 were renumbered sections 3701 to 3706 of this title, respectively.

Prior section 1807, added Pub. L. 94-324, §2(a), June 30, 1976, 90 Stat. 720; amended Pub. L. 97-72, title III, §303(d), Nov. 3, 1981, 95 Stat. 1060, related to service after July 25, 1947, and prior to June 27, 1950, prior to repeal by Pub. L. 100-322, title IV, §415(a)(4), May 20, 1988, 102 Stat. 550.

Prior sections 1810 to 1812 were renumbered sections 3710 to 3712 of this title, respectively.

Another prior section 1812, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1210, automatically guaranteed loans made to a veteran if made for the purpose of purchasing farms and farm equipment, prior to repeal by Pub. L. 93-569, §7(a), Dec. 31, 1974, 88 Stat. 1866.

Prior section 1813 was renumbered section 3713 of this title.

Another prior section 1813, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1211, automatically guaranteed loans made to a veteran if made for the purpose of purchasing business property, prior to repeal by Pub. L. 93-569, §7(a), Dec. 31, 1974, 88 Stat. 1866.

Prior section 1814 was renumbered section 3714 of this title.

Another prior section 1814, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1211, Pub. L. 86-665, §3, July 14, 1960, 74 Stat. 531; Pub. L. 87-84, §1(c), July 6, 1961, 75 Stat. 201, automatically guaranteed loans made to a veteran if made for the purpose of refinancing delinquent indebtedness, prior to repeal by Pub. L. 93-569, §7(a), Dec. 31, 1974, 88 Stat. 1866.

Prior section 1815 was renumbered section 1803(a)(2) of this title.

Prior section 1816 was renumbered sections 1832 and 1833 of this title.

Prior sections 1817 and 1817A were renumbered sections 1813 and 1814 of this title, respectively.

Prior section 1818, added Pub. L. 89-358, §5(a), Mar. 3, 1966, 80 Stat. 25; amended Pub. L. 91-506, §2(e), Oct. 23, 1970, 84 Stat. 1108; Pub. L. 93-569, §8(6), (7), Dec. 31, 1974, 88 Stat. 1866, 1867; Pub. L. 94-324, §4, June 30, 1976, 90 Stat. 720; Pub. L. 95-476, title I, §106(a), Oct. 18, 1978, 92 Stat. 1499; Pub. L. 97-72, title III, §303(g), Nov. 3, 1981, 95 Stat. 1060; Pub. L. 97-295, §4(66), Oct. 12, 1982, 96 Stat. 1310, related to service after Jan. 31, 1955, and prior to Aug. 5, 1964, or after May 7, 1975, prior to repeal by Pub. L. 100-322, title IV, §415(b)(3), May 20, 1988, 102 Stat. 551.

Prior section 1819 was renumbered section 1812 of this title.

Prior sections 1820 and 1821 were renumbered sections 3720 and 3721 of this title, respectively.

Prior section 1822, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1214; Pub. L. 89-358, §5(c), Mar. 3, 1966, 88 Stat. 26; Pub. L. 89-623, §1, Oct. 4, 1966, 80 Stat. 873; Pub. L. 90-301, §2(b), May 7, 1968, 82 Stat. 113, provided for bringing of an action in district court, by veteran or Attorney General, against one who knowingly participated in sale of property to a veteran for consideration in excess of reasonable value of property, prior to repeal by Pub. L. 93-569, §§7(a), 10, Dec. 31, 1974, 88 Stat. 1866, 1867, effective Dec. 31, 1974.

Prior sections 1823 and 1824 were renumbered sections 3723 and 3724 of this title, respectively.

Another prior section 1824 was renumbered section 1825 of this title.

Prior sections 1825 to 1832 were renumbered sections 3725 to 3732 of this title, respectively.

Another prior section 1832 was renumbered section 1833(d) of this title.

Prior sections 1833 to 1835 and 1841 to 1851 were renumbered sections 3733 to 3735 and 3741 to 3751 of this title, respectively.

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AMENDMENTS

1992—Pub. L. 102-568, title II, §203(b), Oct. 29, 1992, 106 Stat. 4325, added item 1922A.

1991—Pub. L. 102-83, §5(b)(1), Aug. 6, 1991, 105 Stat. 406, renumbered items 701 to 788 as 1901 to 1988, respectively.

Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405, substituted "Secretary" for "Administrator" in item 785.

1988—Pub. L. 100-687, div. B, title XIV, §1401(c), Nov. 18, 1988, 102 Stat. 4129, added items 728, 729, and 763.

Pub. L. 100-322, title III, §331(a)(2), (b)(2), May 20, 1988, 102 Stat. 536, 537, added items 727 and 762.

1979—Pub. L. 96-128, title III, §§302(b), 303(b), Nov. 28, 1979, 93 Stat. 986, added items 726 and 761.

1974—Pub. L. 93-289, §§2(b), 9(b), May 24, 1974, 88 Stat. 165, 172, added items 777, 778, and 779 and substituted "Veterans' Special Life Insurance" for "Veterans' special term insurance" in item 723.

1971—Pub. L. 92-188, §3, Dec. 15, 1971, 85 Stat. 645, substituted "Payment or use of dividends" for "Dividends to pay premiums" in item 707.

1970—Pub. L. 91-291, §7, June 25, 1970, 84 Stat. 331, substituted "Duration and termination of coverage; conversion" for "Termination of coverage; conversion" in item 768.

1965—Pub. L. 89-214, §2, Sept. 29, 1965, 79 Stat. 886, redesignated "SUBCHAPTER III—GENERAL" as "SUBCHAPTER IV—GENERAL" and inserted "SUBCHAPTER III—SERVICEMEN'S GROUP LIFE INSURANCE" comprising items 765 to 776.

1964—Pub. L. 88-664, §12(c), Oct. 13, 1964, 78 Stat. 1099, added item 725.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 101, 106, 5301, 5303A of this title.

SUBCHAPTER I—NATIONAL SERVICE LIFE INSURANCE

SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in title 50 App. section 450.

§ 1901. Definitions

For the purposes of this subchapter—

(1) The term "insurance" means National Service Life Insurance.

(2) The terms "widow" or "widower" mean a person who was the lawful spouse of the insured at the maturity of the insurance.

(3) The term "child" means a legitimate child, an adopted child, and, if designated as beneficiary by the insured, a stepchild or an illegitimate child.

(4) The terms "parent", "father", and "mother" mean a father, mother, father through adoption, mother through adoption, persons who have stood in loco parentis to a member of the military or naval forces at any time before entry into active service for a period of not less than one year, and a stepparent, if designated as beneficiary by the insured.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1148, §701; renumbered §1901, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

PRIOR PROVISIONS

Prior section 1901 was renumbered section 3901 of this title.

Another prior section 1901, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1215, as amended by Pub. L. 90-77, title II, §204(a), Aug. 31, 1967, 81 Stat. 184, related to veterans eligible for assistance, prior to the general revision of chapter 39 of this title by Pub. L. 91-666. See sections 3901 and 3902 of this title.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 701 of this title as this section.

§ 1902. Premium rates and policy values

Premium rates for insurance shall be the net rates based upon the American Experience Table of Mortality and interest at the rate of 3 per centum per annum. All cash, loan, paid-up, and extended values, and all other calculations in connection with insurance, shall be based upon said American Experience Table of Mortality and interest at the rate of 3 per centum per annum.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1148, §702; renumbered §1902, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

PRIOR PROVISIONS

Prior section 1902 was renumbered section 3902 of this title.

Another prior section 1902, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1215, related to limitation on types of assistance furnished and veterans otherwise entitled, prior to the general revision of chapter 39 of this title by Pub. L. 91-666. See sections 3902 and 3903 of this title.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 702 of this title as this section.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1926, 1927, 1929 of this title.

§ 1903. Amount of insurance

Insurance shall be issued in any multiple of \$500 and the amount of insurance with respect to any one person shall be not less than \$1,000 or more than \$10,000. No person may carry a combined amount of National Service Life Insurance and United States Government life insurance in excess of \$10,000 at any one time. The limitations of this section shall not apply to the additional paid up insurance the purchase of which is authorized under section 1907 of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1148, §703; Pub. L. 92-188, §1, Dec. 15, 1971, 85 Stat. 645; renumbered §1903 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

PRIOR PROVISIONS

Prior section 1903 was renumbered section 3903 of this title.

Another prior section 1903, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1216, related to limitation on amounts paid by United States, prior to the general revision of chapter 39 of this title by Pub. L. 91-666. See section 3902 of this title.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 703 of this title as this section and substituted "1907" for "707".

1971—Pub. L. 92-188 made section limitations inapplicable to the additional paid up insurance purchase of which is authorized under section 707 of this title.

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-188 effective on date established by Administrator but in no event later than first day of first calendar month beginning more than six calendar months after Dec. 15, 1971, see section 4 of Pub. L. 92-188, set out as a note under section 1907 of this title.

§ 1904. Plans of insurance

(a) Insurance may be issued on the following plans: Five-year level premium term, ordinary life, twenty-payment life, thirty-payment life, twenty-year endowment, endowment at age sixty, and endowment at age sixty-five. Level premium term insurance may be converted as of the date when any premium becomes or has become due, or exchanged as of the date of the original policy, upon payment of the difference in reserve, at any time while such insurance is in force and within the term period to any of the foregoing permanent plans of insurance, except that conversion to an endowment plan may not be made while the insured is totally disabled.

(b) Under such regulations as the Secretary may promulgate a policy of participating insurance may be converted to or exchanged for insurance issued under this subsection on a modified life plan. Insurance issued under this subsection shall be on the same terms and conditions as the insurance which it replaces, except (1) the premium rates for such insurance shall be based on the 1958 Commissioners Standard Ordinary Basic Table of Mortality and interest at the rate of 3 per centum per annum; (2) all cash, loan, paid-up, and extended values shall be based on the 1958 Commissioners Standard Ordinary Basic Table of Mortality and interest at the rate of 3 per centum per annum; and (3) at the end of the day preceding the sixty-fifth birthday of the insured the face value of the modified life insurance policy or the amount of extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in premium.

(c) Under such regulations as the Secretary may promulgate, a policy of nonparticipating insurance may be converted to or exchanged for insurance issued under this subsection on a modified life plan. Insurance issued under this subsection shall be on the same terms and conditions as the insurance which it replaces, except that (1) term insurance issued under section 621 of the National Service Life Insurance Act of 1940 shall be deemed for the purposes of this subsection to have been issued under section 1923(b) of this title; and (2) at the end of the

day preceding the sixty-fifth birthday of the insured the face value of the modified life insurance policy or the amount of extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in premium. Any person eligible for insurance under section 1922(a), or section 1925 of this title may be granted a modified life insurance policy under this subsection which, subject to exception (2) above, shall be issued on the same terms and conditions specified in section 1922(a) or section 1925, whichever is applicable.

(d) Any insured whose modified life insurance policy is in force by payment or waiver of premiums on the day before the insured's sixty-fifth birthday may upon written application and payment of premiums made before such birthday be granted National Service Life Insurance, on an ordinary life plan, without physical examination, in an amount of not less than \$500, in multiples of \$250, but not in excess of one-half of the face amount of the modified life insurance policy in force on the day before the insured's sixty-fifth birthday. Insurance issued under this subsection shall be effective on the sixty-fifth birthday of the insured. The premium rate, cash, loan, paid-up, and extended values on the ordinary life insurance issued under this subsection shall be based on the same mortality tables and interest rates as the insurance issued under the modified life policy. Settlements on policies involving annuities on insurance issued under this subsection shall be based on the same mortality or annuity tables and interest rates as such settlements on the modified life policy. If the insured is totally disabled on the day before the insured's sixty-fifth birthday and premiums on the insured's modified life insurance policy are being waived under section 1912 of this title or the insured is entitled on that date to waiver under such section the insured shall be automatically granted the maximum amount of insurance authorized under this subsection and premiums on such insurance shall be waived during the continuous total disability of the insured.

(e) After June 30, 1972, and under such regulations as the Secretary may promulgate, insurance may be converted to or exchanged for insurance on a modified life plan under the same terms and conditions as are set forth in subsections (b) and (c) of this section except that at the end of the day preceding the seventieth birthday of the insured the face value of the modified life insurance policy or the amount of extended insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in premium. Any insured whose modified life insurance policy issued under this subsection is in force by payment or waiver of premiums on the day before the insured's seventieth birthday may be granted insurance on the ordinary life plan upon the same terms and conditions as are set forth in subsection (d) of this section except that in applying such provisions the seventieth birthday is to be substituted for the sixty-fifth birthday. Notwithstanding any other provision of law or regulations the Secretary under such terms and conditions as the Secretary determines to be reasonable and practicable and upon written application and pay-

ment of the required premiums, reserves, or other necessary amounts made within one year from the effective date of this subsection by an insured having in force a modified life plan issued under subsection (b) or (c) of this section, including any replacement insurance issued under subsection (d) of this section or other provision of this title, can exchange such insurance without proof of good health for an amount of insurance issued under this subsection equal to the insurance then in force or which was in force on the day before such insured's sixty-fifth birthday, whichever is the greater.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1148, §704; Pub. L. 88-664, §12(b), Oct. 13, 1964, 78 Stat. 1098; Pub. L. 92-193, Dec. 15, 1971, 85 Stat. 648; Pub. L. 97-295, §4(21), Oct. 12, 1982, 96 Stat. 1306; Pub. L. 99-576, title VII, §701(21), Oct. 28, 1986, 100 Stat. 3292; renumbered §1904 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Section 621 of the National Service Life Insurance Act of 1940, referred to in subsec. (c), is section 621 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, §10, 65 Stat. 36, which was repealed and the provisions thereof reenacted as section 723 [now 1923] of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

PRIOR PROVISIONS

Prior section 1904 was renumbered section 3904 of this title.

Another prior section 1904, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1216, related to prohibition against duplication of benefits, prior to the general revision of chapter 39 of this title by Pub. L. 91-666, §2(a), Jan. 11, 1971, 84 Stat. 1998. See section 3903 of this title.

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 704 of this title as this section.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted "1923(b)" for "723(b)", "1922(a)" for "722(a)" in two places, and "1925" for "725" in two places.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Subsec. (d). Pub. L. 102-83, §5(c)(1), substituted "1912" for "712".

Subsec. (e). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

1986—Subsec. (d). Pub. L. 99-576, §701(21)(A), substituted "the insured's" for "his" in four places, and "the insured" for "he" in two places.

Subsec. (e). Pub. L. 99-576, §701(21)(B), substituted "the insured's" for "his" and "the Administrator" for "he".

1982—Subsec. (e). Pub. L. 97-295 substituted "After June 30, 1972," for "On and after the effective date of this subsection", and substituted "subsection" for "subsections" after "plan issued under".

1971—Subsec. (e). Pub. L. 92-193 added subsec. (e).

1964—Pub. L. 88-664 designated existing provisions as subsec. (a) and added subsecs. (b) to (d).

EFFECTIVE DATE OF 1971 AMENDMENT

Pub. L. 92-193 provided that the amendment made by Pub. L. 92-193 is effective first day of first calendar month which begins more than six calendar months after Dec. 15, 1971.

EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-664 effective first day of first calendar month which begins more than six cal-

endar months after Oct. 13, 1964, see section 12(d) of Pub. L. 88-664, set out as an Effective Date note under section 1925 of this title.

§ 1905. Renewal

All level premium term policies, except as otherwise provided in this section, shall cease and terminate at the expiration of the term period. At the expiration of any term period any five-year level premium term policy which has not been exchanged or converted to a permanent plan of insurance and which is not lapsed shall be renewed as level premium term insurance without application for a successive five-year period at the premium rate for the attained age without medical examination. However, renewal will be effected in cases where the policy is lapsed only if the insured makes application for reinstatement and renewal of the term policy within five years after the date of lapse, and reinstatement in such cases shall be under the terms and conditions prescribed by the Secretary. In any case in which the insured is shown by evidence satisfactory to the Secretary to be totally disabled at the expiration of the level premium term period of the insurance under conditions which would entitle the insured to continued insurance protection but for such expiration, the insurance, if subject to renewal under this section, shall be automatically renewed for an additional period of five years at the premium rate for the then attained age, unless the insured has elected insurance on some other available plan.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1148, §705; Pub. L. 91-291, §8, June 25, 1970, 84 Stat. 331; Pub. L. 99-576, title VII, §701(22), Oct. 28, 1986, 100 Stat. 3292; renumbered §1905 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

PRIOR PROVISIONS

Prior section 1905, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1216; Pub. L. 90-77, title II, §204(b), Aug. 31, 1967, 81 Stat. 184, related to applications, prior to the general revision of chapter 39 of this title by Pub. L. 91-666, §2(a), Jan. 11, 1971, 84 Stat. 1998.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 705 of this title as this section and substituted "Secretary" for "Administrator" in two places.

1986—Pub. L. 99-576 substituted "the" for "his" in three places and "the insured" for "him".

1970—Pub. L. 91-291 made it a requirement for renewal of lapsed policies that the insured make application for reinstatement and renewal of his term policy within five years after the date of lapse and struck out provision that the lapse occur within two months before the expiration of the term period.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

§ 1906. Policy provisions

Provisions for cash, loan, paid-up, and extended values, dividends from gains and savings, refund of unearned premiums, and such other provisions as may be found to be reasonable and practicable may be provided for in the policy of

insurance from time to time by regulations promulgated by the Secretary.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 706; renumbered § 1906 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 706 of this title as this section and substituted “Secretary” for “Administrator”.

§ 1907. Payment or use of dividends

(a) Until and unless the Secretary has received from the insured a request or directive in writing exercising any other dividend option allowable under the insured's policy, any dividend accumulations and unpaid dividends shall be applied in payment of premiums becoming due on insurance subsequent to the date the dividend is payable after January 1, 1952.

(b) No claim by an insured for payment in cash of a special dividend declared prior to January 1, 1952, shall be processed by the Secretary unless such claim was received within six years after such dividend was declared. Whenever any claim for payment of a special dividend, the processing of which is barred by this subsection, is received by the Secretary, it shall be returned to the claimant, with a copy of this subsection, and such action shall be a complete response without further communication.

(c) The Secretary, upon application in writing made by the insured for insurance under this subsection, and without proof of good health, is authorized to apply any dividend due and payable on national service life insurance after the date of such application to purchase paid up insurance. Also, the Secretary, upon application in writing made by the insured during the one-year period beginning September 1, 1991, and without proof of good health, is authorized to apply any national service life insurance dividend credits and deposits of such insured existing at the date of the insured's application to purchase paid up insurance. After September 1, 1992, the Secretary may, from time to time, provide for further one-year periods during which insureds may purchase additional paid up insurance from existing dividend credits and deposits. Any such period for the purchase of additional paid up insurance may be allowed only if the Secretary determines in the case of any such period that it would be actuarially and administratively sound to do so. Any dividends, dividend credits, or deposits on endowment policies may be used under this subsection only to purchase additional paid up endowment insurance which matures concurrently with the basic policy. Any dividends, dividend credits, or deposits on policies (other than endowment policies) may be used under this section only to purchase additional paid up whole life insurance. The paid up insurance granted under this subsection shall be in addition to any insurance otherwise authorized under this title, or under prior provisions of law. The paid up insurance granted under this subsection shall be issued on the same terms and conditions as are contained in the standard policies of national service life insurance except (1) the premium rates for such insurance and all

cash and loan values thereon shall be based on such table of mortality and rate of interest per annum as may be prescribed by the Secretary; (2) the total disability income provision authorized under section 1915 of this title may not be added to insurance issued under this section; and (3) the insurance shall include such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 707; Pub. L. 91-291, § 9, June 25, 1970, 84 Stat. 331; Pub. L. 92-188, § 2, Dec. 15, 1971, 85 Stat. 645; Pub. L. 97-295, § 4(22), Oct. 12, 1982, 96 Stat. 1306; Pub. L. 99-576, title VII, § 701(23), Oct. 28, 1986, 100 Stat. 3292; renumbered § 1907 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(I), (C)(i), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406; Pub. L. 102-86, title II, § 203, Aug. 14, 1991, 105 Stat. 416.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 707 of this title as this section.

Subsec. (a). Pub. L. 102-83, § 4(a)(2)(A)(iii)(I), substituted “Secretary” for “Veterans' Administration”.

Subsec. (b). Pub. L. 102-83, § 4(a)(2)(C)(i), substituted “by the Secretary” for “in the Veterans' Administration” in second sentence.

Pub. L. 102-83, § 4(a)(2)(A)(iii)(I), substituted “Secretary” for “Veterans' Administration” in first sentence.

Subsec. (c). Pub. L. 102-86 amended subsec. (c) of this section as in effect before the redesignations made by Pub. L. 102-83, § 5, by substituting “during the one-year period beginning September 1, 1991” for “before February 1, 1973” and inserting after second sentence “After September 1, 1992, the Secretary may, from time to time, provide for further one-year periods during which insureds may purchase additional paid up insurance from existing dividend credits and deposits. Any such period for the purchase of additional paid up insurance may be allowed only if the Secretary determines in the case of any such period that it would be actuarially and administratively sound to do so.”

Pub. L. 102-83, § 5(c)(1), substituted “1915” for “715” in cl. (2).

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

1986—Subsecs. (a), (c). Pub. L. 99-576 substituted “the insured's” for “his”.

1982—Subsec. (c). Pub. L. 97-295 substituted “before February 1, 1973” for “within six calendar months after the effective date of this subsection”.

1971—Pub. L. 92-188, § 2(3), substituted “Payment or use of dividends” for “Dividends to pay premiums” as section catchline.

Subsec. (a). Pub. L. 92-188, § 2(1), substituted “or directive in writing exercising any other dividend option allowable under his policy” for “in writing for payment in cash”.

Subsec. (c). Pub. L. 92-188, § 2(2), added subsec. (c).

1970—Pub. L. 91-291 designated existing provisions as subsec. (a) and added subsec. (b).

EFFECTIVE DATE OF 1971 AMENDMENT

Section 4 of Pub. L. 92-188 provided that: “The amendments made by this Act [amending this section and sections 703 and 741 [now 1903 and 1941] of this title] shall take effect on a date established by the Administrator but in no event later than the first day of the first calendar month which begins more than six calendar months after the date of enactment of this Act [Dec. 15, 1971].”

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1903, 1941 of this title.

§ 1908. Premium payments

The Secretary shall, by regulations, prescribe the time and method of payment of the premiums on insurance, but payments of premiums in advance shall not be required for periods of more than one month each, and may at the election of the insured be deducted from the insured's active-service pay or be otherwise made. An amount equal to the first premium due under a National Service Life Insurance policy may be advanced from current appropriations for active-service pay to any person in the active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard, which amount shall constitute a lien upon any service or other pay accruing to the person for whom such advance was made and shall be collected therefrom if not otherwise paid. No disbursing or certifying officer shall be responsible for any loss incurred by reason of such advance. Any amount so advanced in excess of available service or other pay shall constitute a lien on the policy within the provisions of section 5301(b) of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 708; Pub. L. 99-576, title VII, § 701(24), Oct. 28, 1986, 100 Stat. 3292; Pub. L. 102-40, title IV, § 402(d)(1), May 7, 1991, 105 Stat. 239; renumbered § 1908 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 708 of this title as this section and substituted "Secretary" for "Administrator".

Pub. L. 102-40 substituted "5301(b)" for "3101(b)".

1986—Pub. L. 99-576 substituted "the insured's" for "his".

§ 1909. Effective date of insurance

Insurance may be made effective, as specified in the application, not later than the first day of the calendar month following the date of application therefor, but the United States shall not be liable thereunder for death occurring before such effective date.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 709; renumbered § 1909, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 709 of this title as this section.

§ 1910. Incontestability

Subject to the provisions of section 1911 of this title all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issue, reinstatement, or conversion except for fraud, nonpayment of premium, or on the ground that the applicant was not a member of the military or naval forces of the United States. However, in any case in which a contract or policy of insurance is canceled or voided after March 16, 1954, because of fraud, the Secretary shall refund to the insured, if living, or, if de-

ceased, to the person designated as beneficiary (or if none survives, to the estate of the insured) all money, without interest, paid as premiums on such contract or policy for any period subsequent to two years after the date such fraud induced the Secretary to issue, reinstate, or convert such insurance less any dividends, loan, or other payment made to the insured under such contract or policy.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1149, § 710; renumbered § 1910 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(II), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 710 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1911" for "711".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" before "shall".

Pub. L. 102-83, § 4(a)(2)(A)(iii)(II), substituted "Secretary" for "Veterans' Administration" before "to issue".

§ 1911. Forfeiture

Any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections, refuses to perform service in the Armed Forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to National Service Life Insurance. No insurance shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States; but the cash surrender value, if any, of such insurance on the date of such death shall be paid to the designated beneficiary, if living, or otherwise to the beneficiary or beneficiaries within the permitted class in accordance with the order specified in section 1916(b) of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1150, § 711; renumbered § 1911 and amended Pub. L. 102-83, § 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 711 of this title as this section and substituted "1916(b)" for "716(b)".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1910 of this title.

§ 1912. Total disability waiver

(a) Upon application by the insured and under such regulations as the Secretary may promulgate, payment of premiums on insurance may be waived during the continuous total disability of the insured, which continues or has continued for six or more consecutive months, if such disability began (1) after the date of the insured's application for insurance, (2) while the insurance was in force under premium-paying conditions, and (3) before the insured's sixty-fifth birthday. Notwithstanding any other provision of this chapter, in any case in which the total disability of the insured commenced on or after the insured's sixtieth birthday but before the insured's sixty-fifth birthday, the Secretary shall not grant waiver of any premium becoming due prior to January 1, 1965.

(b) The Secretary, upon any application made after August 1, 1947, shall not grant waiver of any premium becoming due more than one year before the receipt by the Secretary of application for the same, except as provided in this section. Any premiums paid for months during which waiver is effective shall be refunded. The Secretary shall provide by regulations for examination or reexamination of an insured claiming benefits under this section, and may deny benefits for failure to cooperate. If it is found that an insured is no longer totally disabled, the waiver of premiums shall cease as of the date of such finding and the policy of insurance may be continued by payment of premiums as provided in said policy. In any case in which the Secretary finds that the insured's failure to make timely application for waiver of premiums or the insured's failure to submit satisfactory evidence of the existence or continuance of total disability was due to circumstances beyond the insured's control, the Secretary may grant waiver or continuance of waiver of premiums.

(c) If the insured dies without filing application for waiver, the beneficiary, within one year after the death of the insured, or, if the beneficiary is insane or a minor, within one year after removal of such legal disability, may file application for waiver with evidence of the insured's right to waiver under this section. Premium rates shall be calculated without charge for the cost of waiver of premiums provided in this section and no deduction from benefits otherwise payable shall be made on account thereof.

(d) In any case in which an insured has been denied or would have been denied premium waiver under section 602(n) of the National Service Life Insurance Act of 1940 or this section solely because the insured became totally disabled between the date of valid application for insurance and the subsequent effective date thereof, and in which it is shown that (1) the total disability was incurred in line of duty between October 8, 1940, and July 31, 1946, inclusive, or June 27, 1950, and April 30, 1951, inclusive, and (2) the insured remained continuously so totally disabled to the date of death or June 8, 1960, whichever is earlier, the Secretary may grant waiver of premiums from the beginning of and during the continuous total disability of such insured. Application for waiver of premiums under this subsection must be filed by the insured or, in the event of the insured's death, by the beneficiary within two years after June 8, 1960, except that if the insured or the beneficiary be insane or a minor within the two-year period, application for such waiver may be filed within two years after removal of such legal disability, or if an insane insured shall die before the removal of the disability, application may be filed by the beneficiary within two years after the insured's death. No insurance shall be placed in force under this subsection in any case in which there was an award of benefits under the Servicemen's Indemnity Act of 1951 or of gratuitous insurance under section 1922(b) of this title. The amount of insurance placed in force hereunder together with any other United States Government life insurance or national service life insurance in force at the time of death, or at the time of the

insured's application for waiver hereunder, may not exceed \$10,000 and shall be reduced by the amount of any gratuitous insurance awarded under the National Service Life Insurance Act of 1940. Waiver of premiums under this subsection shall render the insurance nonparticipating during the period such premium waiver is in effect. The cost of waiver of premium and death benefits paid as a result of this subsection shall be borne by the United States.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1150, § 712; Pub. L. 86-497, June 8, 1960, 74 Stat. 164; Pub. L. 88-364, July 7, 1964, 78 Stat. 302; Pub. L. 97-295, § 4(23), Oct. 12, 1982, 96 Stat. 1306; Pub. L. 99-576, title VII, § 701(25), Oct. 28, 1986, 100 Stat. 3292; renumbered § 1912 and amended Pub. L. 102-83, §§ 4(a)(2)(C)(ii), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

The Servicemen's Indemnity Act of 1951, referred to in subsec. (d), is act Apr. 25, 1951, ch. 39, pt. I, 65 Stat. 33, as amended, which was classified generally to subchapter II (§ 851 et seq.) of chapter 13 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and was repealed by act Aug. 1, 1956, ch. 873, title V, § 502(9), 70 Stat. 886.

The National Service Life Insurance Act of 1940, referred to in subsec. (d), is act Oct. 8, 1940, ch. 757, title VI, pt. I, §§ 601 to 623, 54 Stat. 1008, as amended, which was classified generally to subchapter I (§§ 801 to 824) of chapter 13 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed by Pub. L. 85-857, § 14(75), Sept. 2, 1958, 72 Stat. 1272, and the provisions thereof reenacted generally as this subchapter by the first section of Pub. L. 85-857 which enacted Title 38, Veterans' Benefits. Section 602(n) of the 1940 Act, also referred to in subsec. (d), is covered by this section.

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 712 of this title as this section.

Subsec. (a). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Subsec. (b). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in four places.

Pub. L. 102-83, § 4(a)(2)(C)(ii), substituted "by the Secretary" for "in the Veterans' Administration".

Subsec. (d). Pub. L. 102-83, § 5(c)(1), substituted "1922(b)" for "722(b)".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1986—Subsecs. (a), (b), (d). Pub. L. 99-576 substituted "the insured's" for "his" wherever appearing, and "the insured" for "he" in first sentence of subsec. (d).

1982—Subsec. (d). Pub. L. 97-295 substituted "June 8, 1960" for "the date of enactment of this subsection" in two places.

1964—Subsec. (a). Pub. L. 88-364 extended from age 60 to age 65 the age before which a person must become totally disabled to be eligible for waiver of premiums, and provided that where total disability commenced on or after the 60th birthday but before the 65th, the Administrator shall not waive premiums becoming due prior to Jan. 1, 1965.

1960—Subsec. (d). Pub. L. 86-497 added subsec. (d).

EFFECTIVE DATE OF 1964 AMENDMENT

Pub. L. 88-364 provided that the amendment made by Pub. L. 88-364 is effective Jan. 1, 1965.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1904, 1913, 1922, 1922A of this title.

§ 1913. Death before six months' total disability

Whenever premiums are not waived under section 1912 of this title solely because the insured died prior to the continuance of total disability for six months, and proof of such facts, satisfactory to the Secretary, is filed by the beneficiary with the Department within one year after the insured's death, the insurance shall be deemed to be in force at the date of the death, and the unpaid premiums shall become a lien against the proceeds of the insurance. If the beneficiary is insane or a minor, proof of such facts may be filed within one year after removal of such legal disability.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1150, § 713; Pub. L. 99-576, title VII, § 701(26), Oct. 28, 1986, 100 Stat. 3292; renumbered § 1913 and amended Pub. L. 102-83, §§ 4(a)(3), (4), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 713 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1912" for "712".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-83, § 4(a)(3), (4), substituted "Department" for "Veterans' Administration".

1986—Pub. L. 99-576 substituted "the" for "his" in three places.

§ 1914. Statutory total disabilities

Without prejudice to any other cause of disability, the permanent loss of the use of both feet, of both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the total loss of hearing of both ears, or the organic loss of speech, shall be deemed total disability for insurance purposes.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1151, § 714; renumbered § 1914, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 714 of this title as this section.

§ 1915. Total disability income provision

The Secretary shall, except as hereinafter provided, upon application by the insured and proof of good health satisfactory to the Secretary and payment of such extra premium as the Secretary shall prescribe, include in any National Service Life Insurance policy on the life of the insured (except a policy issued under section 620 of the National Service Life Insurance Act of 1940, or section 1922 of this title) provisions whereby an insured who is shown to have become totally disabled for a period of six consecutive months or more commencing after the date of such application and before attaining the age of sixty-five and while the payment of any premium is not in default, shall be paid monthly disability benefits from the first day of the seventh consecutive month of and during the continuance of such total disability of \$10 for each \$1,000 of such insurance in effect when such benefits become payable. The total disability provision authorized under this section shall not be

issued unless application therefor is made either prior to the insured's fifty-fifth birthday, or before the insured's sixtieth birthday and prior to January 1, 1966. The total disability provision authorized under this section shall not be added to a policy containing the total disability coverage heretofore issued under section 602(v) of the National Service Life Insurance Act of 1940, or the provisions of this section as in effect before January 1, 1965, except upon surrender of such total disability coverage, proof of good health, if required, satisfactory to the Secretary, and payment of such extra premium as the Secretary shall determine is required in such cases. Participating policies containing additional provisions for the payment of disability benefits may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such benefits.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1151, § 715; Pub. L. 88-355, July 7, 1964, 78 Stat. 272; renumbered § 1915 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Section 620 of the National Service Life Insurance Act of 1940, referred to in text, is section 620 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, § 10, 65 Stat. 36, which enacted section 821 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as section 722 [now 1922] of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

Section 602(v) of the National Service Life Insurance Act of 1940, referred to in text, is section 602(v) of act Oct. 8, 1940, ch. 757, title VI, pt. I, 54 Stat. 1009, which enacted section 802(v) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section and section 721 [now 1921] of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 715 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1922" for "722".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

1964—Pub. L. 88-355 authorized issuance of total disability income provisions to provide coverage to age 65 instead of to age 60, provided that said provisions shall not be issued unless application therefor is made either prior to the insured's 55th birthday, or before the insured's 60th birthday and prior to Jan. 1, 1966, and inserted "or the provisions of this section as in effect before January 1, 1965" before "except upon surrender", and "if required" after "proof of good health."

EFFECTIVE DATE OF 1964 AMENDMENT

Pub. L. 88-355 provided that the amendment made by Pub. L. 88-355 is effective Jan. 1, 1965.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1907 of this title.

§ 1916. Insurance which matured before August 1, 1946

(a) Insurance which matured before August 1, 1946, is payable in the following manner:

(1) If the beneficiary to whom payment is first made was under thirty years of age at the time of maturity, in two hundred and forty equal monthly installments.

(2) If the beneficiary to whom payment is first made was thirty or more years of age at

the time of maturity, in equal monthly installments for one hundred and twenty months certain, with such payments continuing during the remaining lifetime of such beneficiary.

(3) If elected by the insured or a beneficiary entitled to make such an election under prior provisions of law, as a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary. A refund life income optional settlement is not available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months. If the mode of payment is changed to a refund life income in accordance with prior provisions of law, after payment has commenced, payment of monthly installments will be adjusted as of the date of maturity of such policy with credit being allowed for payments previously made on the insurance.

(b) Such insurance shall be payable only to a widow, widower, child, parent, brother or sister of the insured. Any installments certain of such insurance remaining unpaid at the death of any beneficiary shall be paid in equal monthly installments in an amount equal to the monthly installments paid to the first beneficiary, to the person or persons then in being within the following classes, and in the order named, unless designated by the insured in a different order:

(1) To the widow or widower of the insured, if living.

(2) If no widow or widower, to the child or children of the insured, if living, in equal shares.

(3) If no widow, widower, or child, to the parent or parents of the insured who last bore that relationship, if living, in equal shares.

(4) If no widow, widower, child, or parent, to the brothers and sisters of the insured, if living, in equal shares.

(c) The provisions of this section shall not be construed to enlarge the classes of beneficiaries heretofore authorized under section 602(d) of the National Service Life Insurance Act of 1940, for payment of gratuitous insurance.

(d) If no beneficiary of insurance which matured before August 1, 1946, was designated by the insured or if the designated beneficiary did not survive the insured, the beneficiary shall be determined in accordance with the order specified in subsection (b) and the insurance shall be payable in equal monthly installments in accordance with subsection (a). The right of any beneficiary to payment of any installments of such insurance shall be conditioned upon his or her being alive to receive such payments. No person shall have a vested right to any installment or installments of any such insurance and any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the beneficiary or beneficiaries within the permitted class next entitled to priority, as provided in subsection (b).

(e) No installments of insurance which matured before August 1, 1946, shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary, and if no person within the permitted class survives to receive the insurance or any part thereof no payment of the unpaid installments shall be made, except that if the reserve of a contract of converted National Service Life Insurance, together with dividends accumulated thereon, less any indebtedness under such contract, exceeds the aggregate amount paid to beneficiaries, the excess shall be paid to the estate of the insured unless the estate of the insured would escheat under the laws of the insured's place of residence, in which event no payment shall be made. When the amount of an individual monthly payment of such insurance is less than \$5, such amount may, in the discretion of the Secretary, be allowed to accumulate without interest and be disbursed annually.

(f) Any payments of insurance made to a person, represented by the insured to be within the permitted class of beneficiaries, shall be deemed to have been properly made and to satisfy fully the obligation of the United States under such insurance policy to the extent of such payments.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1151, §716; Pub. L. 99-576, title VII, §701(27), Oct. 28, 1986, 100 Stat. 3292; renumbered §1916 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 102-86, title V, §506(a)(2), Aug. 14, 1991, 105 Stat. 426.)

REFERENCES IN TEXT

Section 602(d) of the National Service Life Insurance Act of 1940, referred to in subsec. (c), is section 602(d) of act Oct. 8, 1940, ch. 757, title VI, pt. I, 54 Stat. 1009, which enacted section 802(d) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was omitted in the general revision and reenactment of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 716 of this title as this section.

Subsec. (b). Pub. L. 102-86 amended subsec. (b) of this section as in effect before the redesignations made by Pub. L. 102-83, §5, by substituting "unpaid" for "upaid".

Subsec. (e). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1986—Subsec. (e). Pub. L. 99-576 substituted "the insured's" for "his".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1911 of this title.

§ 1917. Insurance maturing on or after August 1, 1946

(a) The insured shall have the right to designate the beneficiary or beneficiaries of insurance maturing on or after August 1, 1946, and shall, subject to regulations, at all times have the right to change the beneficiary or beneficiaries of such insurance without the consent of such beneficiary or beneficiaries.

(b) Insurance maturing on or after August 1, 1946, shall be payable in accordance with the following optional modes of settlement:

(1) In one sum.

(2) In equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve.

(3) In equal monthly installments for one hundred and twenty months certain with such payments continuing during the remaining lifetime of the first beneficiary.

(4) As a refund life income in monthly installments payable for such period certain as may be required in order that the sum of the installments certain, including a last installment of such reduced amount as may be necessary, shall equal the face value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the first beneficiary; however, such optional settlement shall not be available in any case in which such settlement would result in payments of installments over a shorter period than one hundred and twenty months.

(c) Except as provided in the second and third sentences of this subsection, unless the insured elects some other mode of settlement, such insurance shall be payable to the designated beneficiary or beneficiaries in thirty-six equal monthly installments. The first beneficiary may elect to receive payment under any option which provides for payment over a longer period of time than the option elected by the insured, or if no option has been elected by the insured, in excess of thirty-six months. In the case of insurance maturing after September 30, 1981, and for which no option has been elected by the insured, the first beneficiary may elect to receive payment in one sum. If the option selected requires payment to any one beneficiary of monthly installments of less than \$10, the amount payable to such beneficiary shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10. If the present value of the amount payable at the time any person initially becomes entitled to payment thereof is not sufficient to pay at least twelve monthly installments of not less than \$10 each, such amount shall be payable in one sum. Options (3) and (4) shall not be available if any firm, corporation, legal entity (including the estate of the insured), or trustee is beneficiary.

(d) If the beneficiary of such insurance is entitled to a lump-sum settlement but elects some other mode of settlement and dies before receiving all the benefits due and payable under such mode of settlement, the present value of the remaining unpaid amount shall be payable to the estate of the beneficiary. If no beneficiary is designated by the insured, or if the designated beneficiary does not survive the insured, or if a designated beneficiary not entitled to a lump-sum settlement survives the insured, and dies before receiving all the benefits due and payable, then the commuted value of the remaining unpaid insurance (whether accrued or not) shall be paid in one sum to the estate of the insured. In no event shall there be any payment to the estate of the insured or of the beneficiary of any sums unless it is shown that any sums paid will not escheat.

(e) Under such regulations as the Secretary may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be

paid to the insured under option (2) or (4) of this section. All settlements under option (4), however, shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than \$10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1152, § 717; Pub. L. 91-291, § 10, June 25, 1970, 84 Stat. 331; Pub. L. 97-66, title IV, § 403(a), Oct. 17, 1981, 95 Stat. 1031; renumbered § 1917 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 717 of this title as this section and substituted "Secretary" for "Administrator" in subsec. (e).

1981—Subsec. (c). Pub. L. 97-66 substituted "Except as provided in the second and third sentences of this subsection, unless" for "Unless" and inserted provision that, in the case of insurance maturing after September 30, 1981, and for which no option has been elected by the insured, the first beneficiary may elect to receive payment in one sum.

1970—Subsec. (c). Pub. L. 91-291 struck out provision that options (3) and (4) were not available in cases where the endowment contract matured by reason of the completion of the endowment period.

Subsec. (e). Pub. L. 91-291 added subsec. (e).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective first day of first calendar month which begins more than six calendar months after June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1922 of this title.

§ 1918. Assignments

(a) Assignments of all or any part of the beneficiary's interest may be made by a designated beneficiary to a widow, widower, child, father, mother, grandfather, grandmother, brother, or sister of the insured, when the designated contingent beneficiary, if any, joins the beneficiary in the assignment, and if the assignment is delivered to the Secretary before any payments of the insurance shall have been made to the beneficiary. However, an interest in an annuity, when assigned, shall be payable in equal monthly installments in such multiple of twelve as most nearly equals the number of installments certain under such annuity, or in two hundred and forty installments, whichever is the lesser. The provisions of this subsection shall not be applicable to insurance maturing after July 26, 1962.

(b) Except as to insurance granted under the provisions of section 1922(b) of this title, any person to whom insurance maturing after July 26, 1962, is payable may assign all or any portion of such person's interest in such insurance to a widow, widower, child, father, mother, grand-

father, grandmother, brother, or sister of the insured when the designated contingent beneficiary, if any, joins the beneficiary in the assignment. Such joinder shall not be required in any case in which the insurance proceeds are payable in a lump sum.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1153, § 718; Pub. L. 87-557, § 1, July 27, 1962, 76 Stat. 245; Pub. L. 96-128, title III, § 304, Nov. 28, 1979, 93 Stat. 986; Pub. L. 97-295, § 4(24), Oct. 12, 1982, 96 Stat. 1306; renumbered § 1918 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(III), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403, 406.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 718 of this title as this section.

Subsec. (a). Pub. L. 102-83, § 4(a)(2)(A)(iii)(III), substituted "Secretary" for "Veterans' Administration".

Subsec. (b). Pub. L. 102-83, § 5(c)(1), substituted "1922(b)" for "722(b)".

1982—Subsec. (a). Pub. L. 97-295 substituted "after July 26, 1962" for "on or after the date of enactment of this sentence".

Subsec. (b). Pub. L. 97-295 substituted "after July 26, 1982," for "on or after the date of enactment of this sentence".

1979—Subsec. (b). Pub. L. 96-128 substituted "such person's" for "his".

1962—Pub. L. 87-557 designated existing provisions as subsec. (a), inserted sentence making subsection inapplicable to insurance maturing on or after "the date of enactment of this sentence [July 27, 1962]", and added subsec. (b).

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-128 effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as a note under section 1114 of this title.

§ 1919. National Service Life Insurance appropriation

(a) The National Service Life Insurance appropriation is continued and there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this chapter and the provisions heretofore prescribed in the National Service Life Insurance Act of 1940, or related Acts, for the payment of liabilities under National Service Life Insurance. Payment from this appropriation shall be made upon and in accordance with awards by the Secretary.

(b) All premiums heretofore and hereafter paid on insurance issued or reinstated under sections 602(c)(2) and 602(v)(1) of the National Service Life Insurance Act of 1940 where the requirement of good health was waived under such sections because of a service-incurred injury or disability shall be credited directly to the National Service Life Insurance appropriation and any payments of benefits heretofore and hereafter made on such insurance shall be made directly from such appropriation.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1154, § 719; Pub. L. 98-160, title VII, § 702(5), Nov. 21, 1983, 97 Stat. 1009; renumbered § 1919 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

The National Service Life Insurance Act of 1940, referred to in subsec. (a), is act Oct. 8, 1940, ch. 757, title

VI, part I, 54 Stat. 1008, as amended, which was classified generally to chapter 13 (§ 801 et seq.) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this subchapter by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

Sections 602(c)(2) and 602(v)(i) of the National Service Life Insurance Act of 1940, referred to in subsec. (b), are sections 602(c)(2) and 602(v)(1) of act Oct. 8, 1940, ch. 757, title VI, pt. I, 54 Stat. 1009, which enacted sections 802(c)(2) and 802(v)(1) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which were repealed and the provisions thereof reenacted as sections 719(b) [now 1919(b)] and 715 [now 1915], respectively, of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 719 of this title as this section and substituted "Secretary" for "Administrator" in subsec. (a).

1983—Subsec. (b). Pub. L. 98-160 substituted "sections" for "subsections" after "issued or reinstated under" and after "waived under such".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 113 of this title.

§ 1920. National Service Life Insurance Fund

(a) The National Service Life Insurance Fund heretofore created in the Treasury is continued as a permanent trust fund. Except as otherwise provided in this chapter, all premiums paid on account of National Service Life Insurance shall be deposited and covered into the Treasury to the credit of such fund, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance, including payment of dividends and refunds of unearned premiums. Payments from this fund shall be made upon and in accordance with awards by the Secretary.

(b) The Secretary is authorized to set aside out of such fund such reserve amounts as may be required under accepted actuarial principles to meet all liabilities under such insurance; and the Secretary of the Treasury is authorized to invest and reinvest such fund, or any part thereof, in interest-bearing obligations of the United States or in obligations guaranteed as to principal and interest by the United States, and to sell such obligations for the purposes of such fund.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1154, § 720; renumbered § 1920 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 720 of this title as this section and substituted "Secretary" for "Administrator" in two places.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 113 of this title.

§ 1921. Extra hazard costs

(a) The United States shall bear the excess mortality cost and the cost of waiver of premiums on account of total disability traceable to the extra hazard of military or naval service, as such hazard may be determined by the Secretary.

(b) Whenever benefits under insurance become payable because of the death of the insured as

the result of disease or injury traceable to the extra hazard of military or naval service, as such hazard may be determined by the Secretary, the liability for payment of such benefits shall be borne by the United States in an amount which, when added to the reserve of the policy at the time of death of the insured will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits of insurance heretofore or hereafter matured, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Secretary may prescribe with interest at the rate of 3 per centum per annum. The Secretary shall transfer from time to time from the National Service Life Insurance appropriation to the National Service Life Insurance Fund such sums as may be necessary to carry out the provisions of this section.

(c) Whenever the premiums under insurance are waived because of the total disability of the insured as the result of disease or injury traceable to the extra hazard of military or naval service, as such hazard may be determined by the Secretary, the premiums so waived shall be paid by the United States and the Secretary shall transfer from time to time an amount equal to the amount of such premiums from the National Service Life Insurance appropriation to the National Service Life Insurance Fund.

(d) Whenever benefits under the total disability income provision become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Secretary, the liability shall be borne by the United States, and the Secretary shall transfer from the National Service Life Insurance appropriation to the National Service Life Insurance Fund from time to time any amounts which become, or have become, payable to the insured on account of such total disability, and to transfer from the National Service Life Insurance Fund to the National Service Life Insurance appropriation the amount of the reserve held on account of the total disability benefit. When a person receiving such payments on account of total disability recovers from such disability, and is then entitled to continue protection under the total disability income provision, the Secretary shall transfer to the National Service Life Insurance Fund a sum sufficient to set up the then required reserve on such total disability benefit.

(e) Any disability for which a waiver was required as a condition to tendering a person a commission under Public Law 816, Seventy-seventh Congress, shall be deemed to be a disability resulting from an injury or disease traceable to the extra hazard of military or naval service for the purpose of applying this section.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1154, §721; renumbered §1921 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Public Law 816, Seventy-seventh Congress, referred to in subsec. (e), is act Dec. 18, 1942, ch. 768, §§1, 2, 56 Stat. 1066. Section 1 of that Act enacted section 853c-5 of

former Title 34, Navy, and was repealed by act July 9, 1952, ch. 608, pt. VIII, §803, 66 Stat. 505. Section 2 of that Act enacted section 853c-6 of former Title 34, and was omitted from the Code in the general revision and reenactment of Title 10, Armed Forces, by act Aug. 10, 1956, ch. 1041, 70A Stat. 1.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 721 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing in subsecs. (a) to (d).

§ 1922. Service disabled veterans' insurance

(a) Any person who is released from active military, naval, or air service, under other than dishonorable conditions on or after April 25, 1951, and is found by the Secretary to be suffering from a disability or disabilities for which compensation would be payable if 10 per centum or more in degree and except for which such person would be insurable according to the standards of good health established by the Secretary, shall, upon application in writing made within two years from the date service-connection of such disability is determined by the Secretary and payment of premiums as provided in this subchapter, be granted insurance by the United States against the death of such person occurring while such insurance is in force. If such a person is shown by evidence satisfactory to the Secretary to have been mentally incompetent during any part of the two-year period, application for insurance under this section may be filed within two years after a guardian is appointed or within two years after the removal of such disability as determined by the Secretary, whichever is the earlier date. If the guardian was appointed or the removal of the disability occurred before January 1, 1959, application for insurance under this section may be made within two years after that date. Insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (2) all cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; (4) insurance granted under this section shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to a revolving fund in the Treasury of the United States, and any payments on such insurance shall be made directly from such fund. Appropriations to such fund are hereby authorized. As to insurance issued under this section, waiver of premiums pursuant to section 602(n) of the National Service Life Insurance Act of 1940 and section 1912 of this title shall not be denied on the ground that the service-connected disability became total before the effective date of such insurance.

(b)(1) Any person who, on or after April 25, 1951, was otherwise qualified for insurance under

the provisions of section 620 of the National Service Life Insurance Act of 1940, or under subsection (a) of this section, but who did not apply for such insurance and who is shown by evidence satisfactory to the Secretary (A) to have been mentally incompetent from a service-connected disability, (i) at the time of release from active service, or (ii) during any part of the two-year period from the date the service connection of a disability is first determined by the Secretary, or (iii) after release from active service but is not rated service-connected disabled by the Secretary until after death; and (B) to have remained continuously so mentally incompetent until date of death; and (C) to have died before the appointment of a guardian, or within two years after the appointment of a guardian; shall be deemed to have applied for and to have been granted such insurance, as of the date of death, in an amount which, together with any other United States Government or National Service life insurance in force, shall aggregate \$10,000. The date to be used for determining whether such person was insurable according to the standards of good health established by the Secretary, except for the service-connected disability, shall be the date of release from active service or the date the person became mentally incompetent, whichever is the later.

(2) Payments of insurance granted under subsection (b)(1) of this section shall be made only to the following beneficiaries and in the order named—

(A) to the widow or widower of the insured, if living and while unremarried;

(B) if no widow or widower entitled thereto, to the child or children of the insured, if living, in equal shares;

(C) if no widow or widower or child entitled thereto, to the parent or parents of the insured who last bore that relationship, if living, in equal shares.

(3) No application for insurance payments under this subsection shall be valid unless filed with the Secretary within two years after the date of death of the insured or before January 1, 1961, whichever is the later, and the relationship of the applicant shall be proved as of the date of death of the insured by evidence satisfactory to the Secretary. Persons shown by evidence satisfactory to the Secretary to have been mentally or legally incompetent at the time the right to apply for death benefits expires, may make such application at any time within one year after the removal of such disability.

(4) Notwithstanding section 1917 of this title, insurance under this subsection shall be payable to the beneficiary determined under paragraph (2) of this subsection in a lump sum.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1155, § 722; renumbered § 1922 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(IV), (D)(i), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406; Pub. L. 102-86, title II, §§ 201(a), 202(a), Aug. 14, 1991, 105 Stat. 415, 416; Pub. L. 103-446, title XII, § 1201(i)(2), Nov. 2, 1994, 108 Stat. 4688.)

REFERENCES IN TEXT

Section 602(n) of the National Service Life Insurance Act of 1940, referred to in subsec. (a), is section 602(n)

of act Oct. 8, 1940, ch. 757, title VI, pt. I, 54 Stat. 1009, which enacted section 802(n) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as section 712 [now 1912] of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

Section 620 of the National Service Life Insurance Act of 1940, referred to in subsec. (b)(1), is section 620 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, § 10, 65 Stat. 36, which enacted section 821 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1994—Subsec. (b)(4). Pub. L. 103-446 substituted "Notwithstanding section 1917 of this title," for "Notwithstanding the provisions of section 1917 of this title,".

1991—Pub. L. 102-83, § 5(a), renumbered section 722 of this title as this section.

Subsec. (a). Pub. L. 102-86, § 201(a), amended subsec. (a) of this section as in effect before the redesignations made by Pub. L. 102-83, § 5, by substituting "two years" for "one year" wherever appearing and "two-year" for "one-year".

Pub. L. 102-83, § 5(c)(1), substituted "1912" for "712".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in four places.

Pub. L. 102-83, § 4(a)(2)(A)(iii)(IV), substituted "Secretary" for "Veterans' Administration" after first reference to "determined by the".

Subsec. (b)(1). Pub. L. 102-86, § 201(a), amended subsec. (b)(1) of this section as in effect before the redesignations made by Pub. L. 102-83, § 5, by substituting "two-year" for "one-year" and "two years" for "one year".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Pub. L. 102-83, § 4(a)(2)(A)(iii)(IV), substituted "Secretary" for "Veterans' Administration" in two places.

Subsec. (b)(3). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Pub. L. 102-83, § 4(a)(2)(D)(i), substituted "with the Secretary" for "in the Veterans' Administration".

Subsec. (b)(4). Pub. L. 102-86, § 202(a)(1), amended subsec. (b) of this section as in effect before the redesignations made by Pub. L. 102-83, § 5, by amending par. (4) generally. Prior to amendment, par. (4) read as follows: "Notwithstanding the provisions of section 717 of this title, insurance under this subsection shall be payable at the election of the first beneficiary in 240 equal monthly installments or under the options specified in section 717(b)(3) or (4) of this title. Any installments certain of insurance remaining unpaid at the death of any beneficiary shall be paid in equal monthly installments in an amount equal to the monthly installments paid to the first beneficiary, to the person or persons then in being within the classes specified in subsection (b)(2) of this section and in the order named."

Pub. L. 102-83, § 5(c)(1), amended par. (4) as amended by Pub. L. 102-86, § 202(a)(1), by substituting "1917" for "717". See above.

Subsec. (b)(5). Pub. L. 102-86, § 202(a)(2), amended subsec. (b) of this section as in effect before the redesignations by Pub. L. 102-83, § 5, by striking out par. (5) which read as follows: "The right of any beneficiary to payment of any installments shall be conditioned upon his or her being alive to receive such payments. No person shall have a vested right to any installment or installments of any such insurance and any installments not paid to a beneficiary during such beneficiary's lifetime shall be paid to the beneficiary or beneficiaries within the permitted class next entitled to priority, as provided in subsection (b)(2) of this section. No installments of such insurance shall be paid to the heirs or legal representatives as such of the insured or of any beneficiary, and if no person within the permitted class survives to receive the insurance or any part thereof no payment of the unpaid installments shall be made."

EFFECTIVE DATE OF 1991 AMENDMENT

Section 201(b) of Pub. L. 102-86 provided that: "The amendments made by subsection (a) [amending this section] shall apply with respect to any person who, on or after September 1, 1991, is found by the Secretary of Veterans Affairs to be eligible for insurance under section 722 [now 1922] of title 38, United States Code."

Section 202(b) of Pub. L. 102-86 provided that: "The amendments made by subsection (a) [amending this section] shall apply with respect to deaths occurring before, on, or after the date of the enactment of this Act [Aug. 14, 1991]. In the case of insurance under section 722(b) [now 1922(b)] of title 38, United States Code, payable by reason of a death before the date of the enactment of this Act, the Secretary shall pay the remaining balance of such insurance in a lump sum as soon as practicable after the date of the enactment of this Act."

CROSS REFERENCES

Assignment of insurance granted under subsec. (b) of this section excepted from general assignment provisions, see section 1918(b) of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 107, 113, 1904, 1912, 1915, 1918, 1922A of this title.

§ 1922A. Supplemental service disabled veterans' insurance for totally disabled veterans

(a) Any person insured under section 1922(a) of this title who qualifies for a waiver of premiums under section 1912 of this title is eligible, as provided in this section, for supplemental insurance in an amount not to exceed \$20,000.

(b) To qualify for supplemental insurance under this section a person must file with the Secretary an application for such insurance. Such application must be filed not later than (1) October 31, 1993, or (2) the end of the one-year period beginning on the date on which the Secretary notifies the person that the person is entitled to a waiver of premiums under section 1912 of this title, whichever is later.

(c) Supplemental insurance granted under this section shall be granted upon the same terms and conditions as insurance granted under section 1922(a) of this title, except that such insurance may not be granted to a person under this section unless the application is made for such insurance before the person attains 65 years of age.

(d) No waiver of premiums shall be made in the case of any person for supplemental insurance granted under this section.

(Added Pub. L. 102-568, title II, § 203(a), Oct. 29, 1992, 106 Stat. 4324; amended Pub. L. 103-446, title XII, § 1201(f)(1), Nov. 2, 1994, 108 Stat. 4687.)

AMENDMENTS

1994—Subsec. (b). Pub. L. 103-446 substituted "insurance. Such application must be filed not later than (1) October 31, 1993, or (2) the end of the one-year period beginning on the date on which the Secretary" for "insurance not later than the end of (1) the one-year period beginning on the first day of the first month following the month in which this section is enacted, or (2) the one-year period beginning on the date that the Department".

EFFECTIVE DATE

Section 205 of title II of Pub. L. 102-568 provided that: "The amendments made by this title [enacting this section and amending sections 1967, 1977, and 2106 of this title] shall take effect on December 1, 1992."

§ 1923. Veterans' Special Life Insurance

(a) Insurance heretofore granted under the provisions of section 621 of the National Service Life Insurance Act of 1940, against the death of the policyholder occurring while such insurance is in force, is subject to the same terms and conditions as are contained in standard policies of National Service Life Insurance on the five-year level premium term plan except (1) such insurance may not be exchanged for or converted to insurance on any other plan; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of $2\frac{1}{4}$ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of $2\frac{1}{4}$ per centum per annum; (4) all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums.

(b) Any term insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940, may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible five-year level premium term insurance issued under this subsection. Insurance issued under this subsection shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) after September 1, 1960, limited convertible term insurance may not be issued or renewed on the term plan after the insured's fiftieth birthday; (2) the premium rates for such limited convertible term or permanent plan insurance shall be based on table X-18 (1950-54 Intercompany Table of Mortality) and interest at the rate of $2\frac{1}{2}$ per centum per annum; (3) all settlements on policies involving annuities on insurance issued under this subsection shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of $2\frac{1}{2}$ per centum per annum; (4) all cash, loan, paid-up, and extended values, and, except as otherwise provided in this subsection, all other calculations in connection with insurance issued under this subsection shall be based on table X-18 (1950-54 Intercompany Table of Mortality) and interest at the rate of $2\frac{1}{2}$ per centum per annum; (5) all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums.

(c) The Secretary is authorized to invest in, and the Secretary of the Treasury is authorized to sell and retire, special interest-bearing obligations of the United States for the account of

the revolving fund with a maturity date as may be agreed upon by the two Secretaries. The rate of interest on such obligations shall be fixed by the Secretary of the Treasury at a rate equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1157, §723; Pub. L. 85-896, Sept. 2, 1958, 72 Stat. 1716; Pub. L. 87-223, Sept. 13, 1961, 75 Stat. 495; Pub. L. 93-289, §2(a), May 24, 1974, 88 Stat. 165; renumbered §1923 and amended Pub. L. 102-83, §§4(b)(1), (2)(C), (E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Section 621 of the National Service Life Insurance Act of 1940, referred to in subsecs. (a) and (b), is section 621 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, §10, 65 Stat. 36, which enacted section 822 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 723 of this title as this section.

Subsec. (c). Pub. L. 102-83, §4(b)(2)(C), substituted "two Secretaries" for "Administrator and Secretary".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" after "The".

1974—Pub. L. 93-289, §2(a)(1), substituted "Veterans' Special Life Insurance" for "Veterans' special term insurance" in section catchline.

Subsec. (a). Pub. L. 93-289, §2(a)(2), substituted "all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereof, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums" for "such insurance and any total disability provision added thereto shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund in the Treasury of the United States and the payments on such term insurance and any total disability provision added thereto shall be made directly from such fund" in cl. (4).

Subsec. (b). Pub. L. 93-289, §2(a)(3), substituted "all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums" for "insurance and any total disability provision added thereto issued under this subsection shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to the revolving fund referred to in subsection (a) and payments on such insurance and any total disability provision added thereto shall be made directly from such fund" in cl. (5).

Subsecs. (d), (e). Pub. L. 93-289, §2(a)(4), repealed subsecs. (d) and (e) which related to the payment of dividends from the excess funds in the revolving fund, and to the transfer of funds from the revolving fund to general fund receipts in the Treasury.

1961—Subsecs. (d), (e). Pub. L. 87-223 added subsecs. (d) and (e).

1958—Subsec. (b). Pub. L. 85-896, §1(2), added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 85-896, §1(1), redesignated former subsec. (b) as (c) and substituted "equal to the rate of interest, computed as of the end of the month preceding the date of issue of such obligations, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate" for "not exceeding the average interest rate on all marketable obligations of the United States Treasury outstanding as of the end of the month preceding the date of issue of this special obligation".

EFFECTIVE DATE OF 1974 AMENDMENT

Section 12(1) of Pub. L. 93-289 provided that: "The amendments made by section 2 [amending this section], relating to Veterans' Special Life Insurance, shall become effective upon the date of enactment of this Act [May 24, 1974] except that no dividend on such insurance shall be paid prior to January 1, 1974."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 113, 1904, 1926, 1927, 1929 of this title.

§ 1924. In-service waiver of premiums

(a) Waiver of all premiums on five-year level premium term insurance and that portion of any permanent insurance premiums representing the cost of the pure insurance risk, as determined by the Secretary, granted on National Service Life Insurance or United States Government life insurance under section 622 of the National Service Life Insurance Act of 1940 and in effect on January 1, 1959, shall, unless canceled, continue in effect according to the provisions of such section for the remainder of the insured's continuous active service and for one hundred and twenty days thereafter. Such premium waiver renders the contract of insurance nonparticipating during the period the waiver is in effect.

(b) Whenever benefits become payable because of the maturity of such insurance while under the premium waiver continued by this section, liability for payment of such benefits shall be borne by the United States in an amount which, when added to any reserve of the policy at the time of maturity, will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Secretary may prescribe with interest at the rate of 2¼ per centum per annum as to insurance issued under sections 620 and 621 of the National Service Life Insurance Act of 1940, at the rate of 3 per centum per annum as to other National Service Life Insurance, and 3½ per centum per annum as to United States Government life insurance. The

Secretary shall transfer from time to time from the National Service Life Insurance appropriation to the National Service Life Insurance Fund and from the military and naval insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to carry out the provisions of this section.

(c) In any case in which insurance continued in force under this section matures on or after January 1, 1972, an amount equal to the amount of premiums, less dividends, waived on and after that date shall be placed as an indebtedness against the insurance and, unless otherwise paid, shall be deducted from the proceeds. In such case, the liability of the Government under subsection (b) of this section shall be reduced by the amount so deducted from the proceeds.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1157, § 724; Pub. L. 92-197, § 7, Dec. 15, 1971, 85 Stat. 662; renumbered § 1924 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Section 622 of the National Service Life Insurance Act of 1940, referred to in subsec. (a), is section 622 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, § 10, 65 Stat. 36, which enacted section 823 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

Sections 620 and 621 of the National Service Life Insurance Act of 1940, referred to in subsec. (b), are sections 620 and 621 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Apr. 25, 1951, ch. 39, pt. II, § 10, 65 Stat. 36, which enacted sections 821 and 822 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which were repealed and reenacted as sections 722 and 723 [now 1922 and 1923], respectively, of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 724 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing in subsections (a) and (b).

1971—Subsec. (c). Pub. L. 92-197 added subsec. (c).

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-197 effective Jan. 1, 1972, see section 10 of Pub. L. 92-197, set out as a note under section 1311 of this title.

§ 1925. Limited period for acquiring insurance

(a) Any person (other than a person referred to in subsection (f) of this section) heretofore eligible to apply for National Service Life Insurance after October 7, 1940, and before January 1, 1957, who is found by the Secretary to be suffering (1) from a service-connected disability or disabilities for which compensation would be payable if 10 percent or more in degree and except for which such person would be insurable according to the standards of good health established by the Secretary; or (2) from a non-service-connected disability which renders such person uninsurable according to the standards of good health established by the Secretary and such person establishes to the satisfaction of the Secretary that such person is unable to obtain commercial life insurance at a substandard rate,

shall, upon application in writing made before May 2, 1966, compliance with the health requirements of this section and payment of the required premiums, be granted insurance under this section.

(b) If, notwithstanding the applicant's service-connected disability, such person is insurable according to the standards of good health established by the Secretary, the insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of National Service Life Insurance except (1) five-year level premium term insurance may not be issued; (2) the net premium rates shall be based on the 1958 Commissioners Standard Ordinary Basic Mortality Table, increased at the time of issue by such an amount as the Secretary determines to be necessary for sound actuarial operations, and thereafter such premiums may be adjusted as the Secretary determines to be so necessary but at intervals of not less than two years; (3) an additional premium to cover administrative costs to the Government as determined by the Secretary at times of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto, and thereafter such costs may be adjusted as the Secretary determines to be necessary but at intervals of not less than five years; (4) all cash, loan, extended and paid-up insurance values shall be based on the 1958 Commissioners Standard Ordinary Basic Mortality Table; (5) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949; (6) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3½ percent per annum; and (7) the insurance shall include such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(c) If the applicant's service-connected disability or disabilities render the applicant uninsurable according to the standards of good health established by the Secretary, or if the applicant has a non-service-connected disability which renders the applicant uninsurable according to the standards of good health established by the Secretary and such person establishes to the satisfaction of the Secretary that such person is unable to obtain commercial life insurance at a substandard rate and such uninsurability existed as of the date of approval of this section, the insurance granted under this section shall be issued upon the same terms and conditions as are contained in standard policies of National Service Life Insurance, except (1) five-year level premium term insurance may not be issued; (2) the premiums charged for the insurance issued under this subsection shall be increased at the time of issue by such an amount as the Secretary determines to be necessary for sound actuarial operations and thereafter such premiums may be adjusted from time to time as the Secretary determines to be necessary; for the purpose of any increase at time of issue or later adjustment the service-connected group and the non-service-connected group may be separately classified; (3) an additional premium to cover administrative costs to the Government as de-

terminated by the Secretary at the time of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto (for which the insured may subsequently become eligible) and thereafter such costs may be adjusted as the Secretary determines to be necessary but at intervals of not less than five years and for this purpose the service-connected and non-service-connected can be separately classified; (4) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949; (5) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3½ percent per annum; and (6) the insurance shall include such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(d)(1) All premiums and collections on insurance issued pursuant to this section and any total disability income provision attached thereto shall be credited to the Veterans Reopened Insurance Fund, a revolving fund established in the Treasury of the United States, and all payments on such insurance and any total disability provision attached thereto, including payments of dividends and refunds of unearned premiums, shall be made from that fund and the interest earned on the assets of that fund. For actuarial and accounting purposes, the assets and liabilities (including liabilities for repayment of advances hereinafter authorized, and adjustment of premiums) attributable to the insured groups established under this section shall be separately determined. Such amounts in the Veterans Special Term Insurance Fund in the Treasury, not exceeding \$1,650,000 in the aggregate, as may hereafter be determined by the Secretary to be in excess of the actuarial liabilities of that fund, including contingency reserves, shall be available for transfer to the Veterans Reopened Insurance Fund as needed to provide initial capital. Any amounts so transferred shall be repaid to the Treasury over a reasonable period of time with interest as determined by the Secretary of the Treasury taking into consideration the average yield on all marketable interest-bearing obligations of the United States of comparable maturities then forming a part of the public debt.

(2) The Secretary is authorized to set aside out of the revolving fund established under this section such reserve amounts as may be required under accepted actuarial principles to meet all liabilities on insurance issued under this section and any total disability income provision attached thereto. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until

after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 percent, the rate of interest of such obligation shall be the multiple of one-eighth of 1 percent nearest such market yield.

(3) Notwithstanding the provisions of section 1982 of this title, the Secretary shall, from time to time, determine the administrative costs to the Government which in the Secretary's judgment are properly allocable to insurance issued under this section and any total disability income provision attached thereto, and shall transfer from the revolving fund, the amount of such cost allocable to the Department to the appropriation "General Operating Expenses, Department of Veterans Affairs", and the remainder of such cost to the general fund receipts in the Treasury. The initial administrative costs of issuing insurance under this section and any total disability income provision attached thereto shall be so transferred over such period of time as the Secretary determines to be reasonable and practicable.

(e) Notwithstanding the provisions of section 1982 of this title, a medical examination (including any supplemental examination or tests) when required of an applicant for issuance of insurance under this section or any total disability income provisions attached thereto shall be at the applicant's own expense by a duly licensed physician.

(f) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty or active duty for training under a call or order to such duty for a period of thirty-one days or more.

(Added Pub. L. 88-664, §12(a), Oct. 13, 1964, 78 Stat. 1096, §725; amended Pub. L. 89-40, June 14, 1965, 79 Stat. 130; Pub. L. 96-128, title III, §301, Nov. 28, 1979, 93 Stat. 985; Pub. L. 97-295, §4(25), Oct. 12, 1982, 96 Stat. 1306; Pub. L. 99-576, title VII, §701(28), Oct. 28, 1986, 100 Stat. 3292; renumbered §1925 and amended Pub. L. 102-83, §§4(a)(2)(B)(ii), (3), (4), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 725 of this title as this section.

Subsecs. (a) to (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (d). Pub. L. 102-83, §5(c)(1), substituted "1982" for "782" in par. (3).

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" and "Secretary's" for "Administrator's" wherever appearing in pars. (1) to (3).

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for first reference to "Veterans' Administration" in par. (3).

Pub. L. 102-83, §4(a)(2)(B)(ii), substituted "Department of Veterans Affairs" for second reference to "Veterans' Administration" in par. (3).

Subsec. (e). Pub. L. 102-83, §5(c)(1), substituted "1982" for "782".

1986—Subsecs. (a), (b). Pub. L. 99-576, §701(28)(A), substituted "such person" for "he".

Subsec. (c). Pub. L. 99-576, §701(28)(A), (B), substituted "the applicant" for "him" in two places, and "such person" for "he".

Subsec. (d)(3). Pub. L. 99-576, § 701(28)(C), substituted "the Administrator's" for "his".

1982—Subsec. (a). Pub. L. 97-295, § 4(25), substituted "percent" for "per centum", and substituted "before May 2, 1966" for "within one year after the effective date of this section".

Subsecs. (b), (c), (d)(2). Pub. L. 97-295, § 4(25)(A), substituted "percent" for "per centum" wherever appearing.

1979—Subsec. (b). Pub. L. 96-128, § 301(a), struck out cl. (8) which required the insurance and any attached total disability income provision to be on a nonparticipatory basis.

Subsec. (c). Pub. L. 96-128, § 301(b), struck out cl. (4) which required the insurance and any attached total disability income provision to be on a nonparticipatory basis, and redesignated former cls. (5) to (7) as (4) to (6), respectively.

Subsec. (d)(1). Pub. L. 96-128, § 301(c), inserted provisions respecting payments of dividends and refunds of unearned premiums from the fund, and interest earned on the assets of the fund.

1965—Subsec. (b). Pub. L. 89-40, § 1(1), struck out provision from cl. (8) which called for all premiums and other collections for insurance granted under this section to be credited to a revolving fund established in the Treasury of the United States and for payment on such insurance or total disability income provisions to be made directly from that fund.

Subsec. (c). Pub. L. 89-40, § 1(2), struck out cl. (8) which provided that all premiums and other collections on the insurance and any total disability income provision attached thereto should be credited to the National Service Life Insurance appropriation, and the payments on such insurance and total disability income provisions should be made directly from such appropriations, and struck out sentence which authorized necessary appropriations.

Subsec. (d)(1). Pub. L. 89-40, § 1(3), struck out provisions authorizing appropriations to carry out the purposes of subsec. (b) of this section by adding to the revolving fund as needed at interest to be determined by the Secretary of the Treasury, and substituted therefor provisions requiring credit to Veterans Reopened Insurance Fund of all premiums and collections on insurance issued pursuant to this section and disbursements from that fund of all payments on insurance and total disability provisions attached thereto, separate determination for actuarial purposes of the various insured groups under this section, transfer to fund from Veterans Special Term Insurance Fund to provide initial capital of excess funds not exceeding \$1,650,000, and repayment over a reasonable time at interest to be determined by the Secretary of the Treasury.

Subsec. (d)(2). Pub. L. 89-40, § 1(4), struck out reference to subsec. (b) of this section.

Subsec. (d)(3). Pub. L. 89-40, § 1(5), struck out reference to National Service Life Insurance appropriation.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-128 effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Pub. L. 89-40 provided that the amendment made by Pub. L. 89-40 is effective May 1, 1965.

EFFECTIVE DATE

Section 12(d) of Pub. L. 88-664 provided that: "The amendments made by this section [enacting this section and amending section 704 [now 1904] of this title] shall take effect as of the first day of the first calendar month which begins more than six calendar months after the date of enactment of this Act [Oct. 13, 1964]."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 113, 1904, 1926, 1927, 1929 of this title.

§ 1926. Authority for higher interest rates for amounts payable to beneficiaries

Notwithstanding sections 1902, 1923, and 1925 of this title, if the beneficiary of an insurance policy receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in the appropriate section of this subchapter. The Secretary may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound for the program of insurance concerned. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.

(Added Pub. L. 96-128, title III, § 302(a), Nov. 28, 1979, 93 Stat. 986, § 726; renumbered § 1926 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 726 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1902, 1923, and 1925" for "702, 723, and 725".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

EFFECTIVE DATE

Section effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as an Effective Date of 1979 Amendment note under section 1114 of this title.

§ 1927. Authority for higher monthly installments payable to certain annuitants

(a) Subject to subsections (b) and (c) of this section, the Secretary may from time to time adjust the dollar amount of the monthly installments payable to a beneficiary of National Service Life Insurance, Veterans Special Life Insurance, or Veterans Reopened Insurance who is receiving the proceeds of such insurance under a life annuity settlement option. The Secretary may make such an adjustment only if the Secretary determines that the adjustment is administratively and actuarially sound for the program of insurance concerned. The Secretary may make such an adjustment without regard to the provisions of sections 1902, 1923, and 1925 of this title with respect to interest rates and the use of mortality tables.

(b) The Secretary shall determine the amount in the trust funds in the Treasury held for payment of proceeds to National Service Life Insurance, Veterans Special Life Insurance, and Veterans Reopened Insurance beneficiaries attributable to interest and mortality gains on the reserves held for annuity accounts. Such amount shall be available for distribution to the life annuitants referred to in subsection (a) of this section as a fixed percentage of, and in addition to, the monthly installment amount to which the annuitants are entitled under this subchapter. For the purposes of this section, gains on the reserves are defined as funds attributable solely to annuity accounts that are in excess of actuarial liabilities.

(c) The monthly amount of an annuity authorized in sections 1902, 1923, and 1925 of this title, as adjusted under this section, may not be less than the monthly amount of such annuity that would otherwise be applicable without regard to this section.

(Added Pub. L. 100-322, title III, §331(a)(1), May 20, 1988, 102 Stat. 536, §727; renumbered §1927 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 727 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “1902, 1923, and 1925” for “702, 723, and 725”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted “1902, 1923, and 1925” for “702, 723, and 725”.

§ 1928. Authority for payment of interest on settlements

(a) Subject to subsection (b) of this section, the Secretary may pay interest on the proceeds of a participating National Service Life Insurance, Veterans' Special Life Insurance, and Veterans Reopened Insurance policy from the date the policy matures to the date of payment of the proceeds to the beneficiary or, in the case of an endowment policy, to the policyholder.

(b)(1) The Secretary may pay interest under subsection (a) of this section only if the Secretary determines that the payment of such interest is administratively and actuarially sound for the settlement option involved.

(2) Interest paid under subsection (a) of this section shall be at the rate that is established by the Secretary for dividends held on credit or deposit in policyholders' accounts under the insurance program involved.

(Added Pub. L. 100-687, div. B, title XIV, §1401(a)(1), Nov. 18, 1988, 102 Stat. 4128, §728; renumbered §1928 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 728 of this title as this section and substituted “Secretary” for “Administrator” wherever appearing.

EFFECTIVE DATE

Section 1401(a)(3) of Pub. L. 100-687 provided that: “The amendments made by this subsection [enacting this section and section 763 [now 1963] of this title] shall take effect with respect to insurance policies maturing after the date of the enactment of this Act [Nov. 18, 1988].”

§ 1929. Authority to adjust premium discount rates

(a) Notwithstanding sections 1902, 1923, and 1925 of this title and subject to subsection (b) of this section, the Secretary may from time to time adjust the discount rates for premiums paid in advance on National Service Life Insurance, Veterans' Special Life Insurance, and Veterans Reopened Insurance.

(b)(1) In adjusting a discount rate pursuant to subsection (a) of this section, the Secretary may

not set such rate at a rate lower than the rate authorized for the program of insurance involved under section 1902, 1923, or 1925 of this title.

(2) The Secretary may make an adjustment under subsection (a) of this section only if the Secretary determines that the adjustment is administratively and actuarially sound for the program of insurance involved.

(Added Pub. L. 100-687, div. B, title XIV, §1401(b)(1), Nov. 18, 1988, 102 Stat. 4129, §729; renumbered §1929 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 729 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted “1902, 1923, and 1925” for “702, 723, and 725” in subsec. (a) and “1902, 1923, or 1925” for “702, 723, or 725” in subsec. (b)(1).

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

EFFECTIVE DATE

Section 1401(b)(2) of Pub. L. 100-687 provided that: “The amendment made by paragraph (1) [enacting this section] shall take effect with respect to premiums paid after the date of the enactment of this Act [Nov. 18, 1988].”

SUBCHAPTER II—UNITED STATES GOVERNMENT LIFE INSURANCE

§ 1940. Definition

For the purposes of this subchapter, the term “insurance” means United States Government life insurance.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §740; renumbered §1940, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 740 of this title as this section.

§ 1941. Amount of insurance

United States Government life insurance shall be issued against death or total permanent disability in any multiple of \$500 and not less than \$1,000 or more than \$10,000. No person may carry a combined amount of National Service Life Insurance and United States Government life insurance in excess of \$10,000 at any one time. The limitations of this section shall not apply to the additional paid up insurance the purchase of which is authorized under section 1907 of this title.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §741; Pub. L. 92-188, §1, Dec. 15, 1971, 85 Stat. 645; renumbered §1941 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 741 of this title as this section and substituted “1907” for “707”.

1971—Pub. L. 92-188 made section limitations inapplicable to the additional paid up insurance purchase of which is authorized under section 707 of this title.

EFFECTIVE DATE OF 1971 AMENDMENT

Amendment by Pub. L. 92-188 effective on date established by Administrator but in no event later than first

day of first calendar month beginning more than six calendar months after Dec. 15, 1971, see section 4 of Pub. L. 92-188, set out as a note under section 1907 of this title.

§ 1942. Plans of insurance

(a) Regulations shall provide for the right to convert insurance on the five-year level premium term plan into ordinary life, twenty-payment life, endowment maturing at age sixty-two, and into other usual forms of insurance as may be prescribed by the Secretary. Provision shall be made for reconversion of any such policies to a higher premium rate or, upon proof of good health satisfactory to the Secretary, to a lower premium rate, in accordance with regulations to be issued by the Secretary. No reconversion shall be made to a five-year level premium term policy.

(b) An insured who on or after the insured's sixty-fifth birthday has a five-year level premium term policy of insurance in force by payment of premiums may exchange such policy for insurance on a special endowment at age ninety-six plan upon written application; payment of the required premium; and surrender of the five-year level premium term policy and any total disability provision attached thereto with all rights, title, and interests thereunder. However, if it is found by the Secretary subsequent to the exchange that prior thereto the term policy matured because of total permanent disability of the insured or that the insured was entitled to total disability benefits under the total disability provision attached to such policy, the insured, upon surrender of the special endowment at age ninety-six policy and any provision for waiver of premiums issued under subsection (c) of this section with all rights, title, and interest thereunder, will be entitled to benefits payable under the prior contract. In such case, the cash value less any indebtedness on the endowment policy shall be refunded together with any premiums paid on a provision for waiver of premiums. Insurance on the special endowment at age ninety-six plan shall be issued at the attained age of the insured upon the same terms and conditions as are contained in standard policies of United States Government Life Insurance except:

(1) the insurance shall not mature and no benefits shall be paid thereunder because of total permanent disability;

(2) the premiums for such insurance shall be as prescribed by the Secretary;

(3) such insurance cannot be exchanged, converted, or reconverted to any other plan of insurance;

(4) all cash, loan, paid-up, and extended term insurance values shall be as prescribed by the Secretary; and

(5) the insurance shall be subject to such other changes in terms and conditions as the Secretary determines to be reasonable and practicable.

(c) The Secretary shall, upon application made by the insured at the same time as the insured exchanges the term policy for an endowment policy issued under the provisions of subsection (b) of this section, and upon payment of such extra premium as the Secretary shall prescribe,

include in such endowment policy a provision for waiver of premiums on the policy and on the provision during the total permanent disability of the insured, if such disability began after the date of such application and while the policy and the provision are in force by payment of premiums. The Secretary shall not grant waiver of any premium becoming due more than one year before receipt by the Secretary of claim for the same, except as provided in this subsection. Any premiums paid for months during which waiver is effective shall be refunded. The Secretary shall provide by regulations for examination or reexamination of an insured claiming waiver of premiums under this subsection, and may deny waiver for failure to cooperate. If it is found that an insured is no longer totally and permanently disabled, the waiver of premiums shall cease as of the date of such finding and the policy and provision may be continued by payment of premiums as provided therein. In any case in which the Secretary finds that the insured's failure to make timely claim for waiver of premiums, or to submit satisfactory evidence of the existence or continuance of total permanent disability was due to circumstances beyond the insured's control, the Secretary may grant waiver or continuance of waiver of premiums. If the insured dies without filing claim for waiver, the beneficiary, within one year after the death of the insured, or, if the beneficiary is insane or a minor, within one year after removal of such legal disability, may file claim for waiver with evidence of the insured's right to waiver under this subsection. Policies containing a provision for waiver of premiums issued under this subsection may be separately classified for the purpose of dividend distribution from otherwise similar policies not containing such provision.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §742; Pub. L. 87-549, July 25, 1962, 76 Stat. 219; Pub. L. 99-576, title VII, §701(29), Oct. 28, 1986, 100 Stat. 3292; renumbered §1942 and amended Pub. L. 102-83, §§4(a)(2)(C)(iii), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 742 of this title as this section.

Subsecs. (a), (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Pub. L. 102-83, §4(a)(2)(C)(iii), substituted "by the Secretary" for "in the Veterans' Administration".

1986—Subsec. (b). Pub. L. 99-576, §701(29)(A), substituted "the insured's" for "his" and "the insured" for "he".

Subsec. (c). Pub. L. 99-576, §701(29)(B), substituted "the insured" for "he", "the term" for "his term", and "the insured's control" for "his control", and struck out "his failure" before "to submit".

1962—Pub. L. 87-549 designated existing provisions as subsec. (a) and added subsecs. (b) and (c).

§ 1943. Premiums

The premium rates for insurance shall be the net rates based upon the American Experience Table of Mortality and interest at 3½ percent per annum. Regulations shall prescribe the time and method of payment of premiums, but pay-

ments of premiums in advance shall not be required for periods of more than one month each, and may be deducted from the pay or deposit of the insured or be otherwise made at the insured's election.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §743; Pub. L. 97-295, §4(26), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, §701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered §1943, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 743 of this title as this section.

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

1982—Pub. L. 97-295 substituted “percent” for “per centum”.

§ 1944. Policy provisions

(a) Provisions for maturity at certain ages, for continuous installments during the lifetime of the insured or beneficiaries, or both, for refund of premiums, cash, loan, paid-up and extended values, dividends from gains and savings, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable may be provided for in insurance contracts or from time to time by regulations.

(b) All calculations on insurance shall be based upon the American Experience Table of Mortality and interest at 3½ percent per annum, except that no deduction shall be made for continuous installments during the life of the insured in case the insured's total and permanent disability continues more than two hundred and forty months.

(c) On and after July 19, 1939, the rate of interest charged on any loan secured by a lien on insurance shall not exceed 5 percent per annum.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1158, §744; Pub. L. 97-295, §4(26), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, §701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered §1944, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 744 of this title as this section.

1986—Subsec. (b). Pub. L. 99-576 substituted “the insured’s” for “his”.

1982—Subsecs. (b), (c). Pub. L. 97-295 substituted “percent” for “per centum”.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1961, 1962 of this title.

§ 1945. Renewal

At the expiration of any term period any insurance policy issued on the five-year level premium term plan which has not been exchanged or converted to a permanent plan of insurance and which is not lapsed shall be renewed as level premium term insurance without application for a successive five-year period at the premium rate for the attained age without medical examination. However, renewal shall be effected in cases where the policy is lapsed only if the in-

sured makes application for reinstatement and renewal of the insured's term policy within five years after the date of lapse, and reinstatement in such cases shall be under the terms and conditions prescribed by the Secretary.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, §745; Pub. L. 91-291, §11, June 25, 1970, 84 Stat. 331; Pub. L. 99-576, title VII, §701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered §1945 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 745 of this title as this section and substituted “Secretary” for “Administrator”.

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

1970—Pub. L. 91-291 struck out effective date provision for renewal of policies, provisions that, in case of lapsed policies, such lapse have occurred within two months before the expiration of the term period, special provisions for the interim period between July 23, 1953 and December 31, 1953, and provisions that the section take effect on Sept. 2, 1958, and required that the insurer make application for reinstatement and renewal of his term policy within five years after the date of the lapse.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

§ 1946. Dividends to pay premiums

Until and unless the Secretary has received from the insured a request in writing for payment of dividends in cash or that the dividends be placed on deposit in accordance with the provisions of the insured's policy, any regular annual dividends shall be applied in payment of premiums becoming due on insurance after the date the dividend is payable on or after December 31, 1958.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, §746; Pub. L. 99-576, title VII, §701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered §1946 and amended Pub. L. 102-83, §§4(a)(2)(A)(iii)(V), 5(a), Aug. 6, 1991, 105 Stat. 403, 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 746 of this title as this section and substituted “Secretary” for “Veterans' Administration”.

1986—Pub. L. 99-576 substituted “the insured’s” for “his”.

§ 1947. Incontestability

Subject to the provisions of section 1954 of this title all contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issuance, reinstatement, or conversion, except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States. The insured under such contract or policy may, without prejudicing the insured's rights, elect to make claim to the Department or to bring suit under section 1984 of this title on any prior contract or policy, and if found entitled thereto, shall, upon surrender of any sub-

sequent contract or policy, be entitled to payments under the prior contract or policy. In any case in which a contract or policy of insurance is canceled or voided after March 16, 1954, because of fraud, the Secretary shall refund to the insured, if living, or, if deceased, to the person designated as beneficiary (or if none survives, to the estate of the insured) all money, without interest, paid as premiums on such contract or policy for any period subsequent to two years after the date such fraud induced the Secretary to issue, reinstate, or convert such insurance less any dividends, loan, or other payment made to the insured under such contract or policy.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 747; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1947 and amended Pub. L. 102-83, §§ 4(a)(2)(A)(iii)(VI), (3), (4), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 403-406.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 747 of this title as this section.

Pub. L. 102-83, § 5(c)(1), substituted "1954" for "754" and "1984" for "784".

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted "Secretary" for "Administrator" before "shall" in last sentence.

Pub. L. 102-83, § 4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Pub. L. 102-83, § 4(a)(2)(A)(iii)(VI), substituted "Secretary" for "Veterans' Administration" before "to issue" in last sentence.

1986—Pub. L. 99-576 substituted "the insured's" for "his".

§ 1948. Total disability provision

The Secretary shall include in United States Government life insurance policies provision whereby an insured, who is totally disabled as a result of disease or injury for a period of four consecutive months or more before attaining the age of sixty-five years and before default in payment of any premium, shall be paid disability benefits at the rate of \$5.75 monthly for each \$1,000 of insurance in force when total disability benefits become payable. The amount of such monthly payment under the provisions of this section shall not be reduced because of payment of permanent and total disability benefits under the insurance policy. Such payments shall be effective as of the first day of the fifth consecutive month, and shall be made monthly during the continuance of such total disability. Such payments shall be concurrent with or independent of permanent and total disability benefits under the insurance policy. In addition to the monthly disability benefits the payment of premiums on the life insurance and for the total disability benefits authorized by this section shall be waived during the continuance of such total disability. Regulations shall provide for re-examinations of beneficiaries under this section; and, in the event that it is found that an insured is no longer totally disabled, the waiver of premiums and payment of benefits shall cease and the insurance policy, including the total disability provision, may be continued by payment of premiums as provided in said policy and the total disability provision. Neither the dividends nor the amount payable in any settlement under any United States Government life insurance

policy shall be decreased because of disability benefits granted under the provisions of this section. The payment of total disability benefits shall not prejudice the right of any insured, who is totally and permanently disabled, to permanent and total disability benefits under the insured's insurance policy. The provision authorized by this section shall not be included in any United States Government life insurance policy heretofore or hereafter issued, except upon application, payment of premium by the insured, and proof of good health satisfactory to the Secretary. The benefit granted under this section shall be on the basis of multiples of \$500, and not less than \$1,000 or more than the amount of insurance in force at time of application. The Secretary shall determine the amount of the monthly premium to cover the benefits of this section, and in order to continue such benefits in force the monthly premiums shall be payable until the insured attains the age of sixty-five years or until the prior maturity of the policy. In all other respects such monthly premium shall be payable under the same terms and conditions as the regular monthly premium on the United States Government life insurance policy.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1159, § 748; Pub. L. 97-295, § 4(27), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, § 701(30), Oct. 28, 1986, 100 Stat. 3293; renumbered § 1948 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 748 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing.

1986—Pub. L. 99-576 substituted "the insured's" for "his".

1982—Pub. L. 97-295 substituted "premium" for "permium" after "payment of".

§ 1949. Change of beneficiary

Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries of a United States Government life insurance policy without the consent of such beneficiary or beneficiaries.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1160, § 749; renumbered § 1949, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 749 of this title as this section.

§ 1950. Payment to estates

If no beneficiary of insurance is designated by the insured, either while alive or by last will, or if the designated beneficiary does not survive the insured, then there shall be paid to the estate of the insured the present value of the remaining unpaid monthly installments. If the designated beneficiary survives the insured and dies before receiving all of the installments of insurance payable and applicable, then there shall be paid to the estate of such beneficiary the present value of the remaining unpaid monthly installments. No payments shall be made to any estate which under the laws of the

residence of the insured or the beneficiary, as the case may be, would escheat, but same shall escheat to the United States and be credited to the United States Government Life Insurance Fund.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1160, §750; Pub. L. 99-576, title VII, §701(31), Oct. 28, 1986, 100 Stat. 3293; renumbered §1950, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 750 of this title as this section.

1986—Pub. L. 99-576 substituted “while alive or by last will” for “in his lifetime or by his last will and testament”.

§ 1951. Payment of insurance

United States Government life insurance, except as provided in this subchapter, shall be payable in two hundred and forty equal monthly installments. When the amount of an individual monthly payment is less than \$5, such amount may in the discretion of the Secretary be allowed to accumulate without interest and be disbursed annually.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1161, §751; renumbered §1951 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 751 of this title as this section and substituted “Secretary” for “Administrator”.

§ 1952. Optional settlement

(a) The Secretary may provide in insurance contracts for optional settlements, to be selected by the insured, whereby such insurance may be made payable either in one sum or in installments for thirty-six months or more. A provision may also be included in such contracts authorizing the beneficiary to elect to receive payment of the insurance in installments for thirty-six months or more, but only if the insured has not exercised the right of election as provided in this subchapter. Even though the insured may have exercised the right of election the beneficiary may elect to receive such insurance in installments spread over a greater period of time than that selected by the insured. Notwithstanding any provision to the contrary in any insurance contract, the beneficiary may, in the case of insurance maturing after September 30, 1981, and for which the insured has not exercised the right of election of the insured as provided in this subchapter, elect to receive payment of the insurance in one sum.

(b) Under such regulations as the Secretary may promulgate, the cash surrender value of any policy of insurance or the proceeds of an endowment contract which matures by reason of completion of the endowment period may be paid to the insured (1) in equal monthly installments of from thirty-six to two hundred and forty in number, in multiples of twelve; or (2) as a refund life income in monthly installments payable for such periods certain as may be required in order that the sum of the installments

certain, including a last installment of such reduced amount as may be necessary, shall equal the cash value of the contract, less any indebtedness, with such payments continuing throughout the lifetime of the insured. However, all settlements under option (2) above shall be calculated on the basis of The Annuity Table for 1949. If the option selected requires payment of monthly installments of less than \$10, the amount payable shall be paid in such maximum number of monthly installments as are a multiple of twelve as will provide a monthly installment of not less than \$10.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1161, §752; Pub. L. 91-291, §12, June 25, 1970, 84 Stat. 332; Pub. L. 97-66, title IV, §403(b), Oct. 17, 1981, 95 Stat. 1031; Pub. L. 99-576, title VII, §701(32), Oct. 28, 1986, 100 Stat. 3293; renumbered §1952 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 752 of this title as this section and substituted “Secretary” for “Administrator” in subsecs. (a) and (b).

1986—Subsec. (a). Pub. L. 99-576 substituted “the right” for “his right” in two places.

1981—Subsec. (a). Pub. L. 97-66 inserted provision empowering beneficiaries, in the case of insurance maturing after Sept. 30, 1981, and for which the insured has not exercised the right of election of the insured as provided in this subchapter, to elect to receive payment of the insurance in one sum.

1970—Pub. L. 91-291 designated existing provisions as subsec. (a) and added subsec. (b).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective first day of first calendar month which begins more than six calendar months after June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

§ 1953. Assignments

Any person to whom United States Government life insurance shall be payable may assign such person's interest in such insurance to the spouse, child, grandchild, parent, brother, sister, uncle, aunt, nephew, niece, brother-in-law, or sister-in-law of the insured. Insofar as applicable, the definitions contained in section 3 of the World War Veterans' Act, 1924, in effect on December 31, 1958, shall apply to this section.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1161, §753; Pub. L. 96-128, title III, §304, Nov. 28, 1979, 93 Stat. 986; renumbered §1953, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

REFERENCES IN TEXT

Section 3 of the World War Veterans' Act, 1924, referred to in text, is section 3 of act June 7, 1924, ch. 320, 43 Stat. 607, which was classified to section 424 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as section 101 of this title by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 753 of this title as this section.

1979—Pub. L. 96-128 substituted “such person’s” for “his”.

EFFECTIVE DATE OF 1979 AMENDMENT

Amendment by Pub. L. 96-128 effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as a note under section 1114 of this title.

§ 1954. Forfeiture

No yearly renewable term insurance or United States Government life insurance shall be payable for death inflicted as a lawful punishment for crime or military offense, except when inflicted by the enemy. In such cases the cash surrender value of United States Government life insurance, if any, on the date of such death shall be paid to the designated beneficiary if living, or if there be no designated beneficiary alive at the death of the insured the said value shall be paid to the estate of the insured.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1161, § 754; renumbered § 1954, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 754 of this title as this section.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1947 of this title.

§ 1955. United States Government Life Insurance Fund

(a) All premiums paid on account of United States Government life insurance shall be deposited and covered into the Treasury to the credit of the United States Government Life Insurance Fund and shall be available for the payment of losses, dividends, refunds, and other benefits provided for under such insurance, including such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or the United States District Court for the District of Columbia. Payments from this fund shall be made upon and in accordance with awards by the Secretary.

(b) The Secretary is authorized to set aside out of the funds so collected such reserve funds as may be required, under accepted actuarial principles, to meet all liabilities under such insurance; and the Secretary of the Treasury is authorized to invest and reinvest the said United States Government Life Insurance Fund, or any part thereof, in interest-bearing obligations of the United States or bonds of the Federal farm-loan banks and to sell said obligations of the United States or the bonds of the Federal farm-loan banks for the purposes of such Fund.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1161, § 755; renumbered § 1955 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 755 of this title as this section and substituted “Secretary” for “Administrator” in subsecs. (a) and (b).

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 113 of this title.

§ 1956. Military and naval insurance appropriation

All sums heretofore or hereafter appropriated for the military and naval insurance appropriation and all premiums collected for yearly renewable term insurance deposited and covered into the Treasury to the credit of this appropriation shall be made available to the Department. All premiums that may hereafter be collected for yearly renewable term insurance shall be deposited and covered into the Treasury for the credit of this appropriation. Such sum is made available for the payment of the liabilities of the United States incurred under contracts of yearly renewable term insurance. Payments from this appropriation shall be made upon and in accordance with the awards by the Secretary.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1162, § 756; renumbered § 1956 and amended Pub. L. 102-83, §§ 4(a)(3), (4), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, § 5(a), renumbered section 756 of this title as this section.

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Pub. L. 102-83, § 4(a)(3), (4), substituted “Department” for “Veterans’ Administration”.

§ 1957. Extra hazard costs

(a) The United States shall bear the excess mortality and disability cost resulting from the hazards of war on United States Government life insurance.

(b) Whenever benefits under United States Government life insurance become, or have become, payable because of total permanent disability of the insured or because of the death of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Secretary, the liability shall be borne by the United States. In such cases the Secretary shall transfer from the military and naval insurance appropriation to the United States Government Life Insurance Fund a sum which, together with the reserve of the policy at the time of maturity by total permanent disability or death, will equal the then value of such benefits. When a person receiving total permanent disability benefits under a United States Government life insurance policy recovers from such disability and is then entitled to continue a reduced amount of insurance, the Secretary shall transfer to the military and naval insurance appropriation all of the loss reserve to the credit of such policy claim except a sum sufficient to set up the then required reserve on the reduced amount of the insurance that may be continued, which sum shall be retained in the United States Government Life Insurance Fund for the purpose of such reserve.

(c) Whenever benefits under the total disability provision become, or have become, payable because of total disability of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the Secretary, the liability shall be borne by the United States,

and the Secretary shall transfer from the military and naval insurance appropriation to the United States Government Life Insurance Fund from time to time any amounts which become or have become payable to the insured on account of such total disability, and shall transfer from the United States Government Life Insurance Fund to the military and naval insurance appropriation the amount of the reserve held on account of the total disability benefit. When a person receiving such payments on account of total disability recovers from such disability and is then entitled to continued protection under the total disability provision, the Secretary shall transfer to the United States Government Life Insurance Fund a sum sufficient to set up the then required reserve on such total disability benefit.

(d) Any disability for which a waiver was required as a condition to tendering a person a commission under Public Law 816, Seventy-seventh Congress, shall be deemed to be a disability resulting from an injury or disease traceable to the extra hazard of military or naval service for the purpose of applying this section.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1162, §757; renumbered §1957 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Public Law 816, Seventy-seventh Congress, referred to in subsec. (d), is act Dec. 18, 1942, ch. 768, §§1, 2, 56 Stat. 1066. Section 1 of that Act enacted section 853c-5 of former Title 34, Navy, and was repealed by act July 9, 1952, ch. 608, pt. VIII, §803, 66 Stat. 505. Section 2 of that Act enacted section 853c-6 of former Title 34, and was omitted from the Code in the general revision and reenactment of Title 10, Armed Forces, by act Aug. 10, 1956, ch. 1041, 70A Stat. 1.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 757 of this title as this section and substituted “Secretary” for “Administrator” wherever appearing in subsections (b) and (c).

§ 1958. Statutory total permanent disability

Without prejudice to any other cause of disability, the permanent loss of the use of both feet, of both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the loss of hearing of both ears, or the organic loss of speech, shall be deemed total permanent disability for insurance purposes. This section shall be deemed to be in effect on and after April 6, 1917, and shall apply only to automatic insurance, yearly renewable term insurance, and United States Government life insurance issued prior to December 15, 1936.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1163, §758; renumbered §1958, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 758 of this title as this section.

§ 1959. Waiver of disability for reinstatement

(a) In the event that all provisions of the rules and regulations other than the requirements as

to the physical condition of the applicant have been complied with, an application for reinstatement, in whole or in part, of lapsed United States Government life insurance may be approved if made within two years after the date of lapse and if the applicant's disability is the result of an injury or disease, or of an aggravation thereof, suffered or contracted in the active military or naval service during the period beginning April 6, 1917, and ending July 2, 1921, and the applicant during the applicant's lifetime submits proof satisfactory to the Secretary showing that the applicant is not totally and permanently disabled. As a condition to the acceptance of an application for reinstatement under this section, the applicant shall be required to pay all the back monthly premiums which would have become payable if such insurance had not lapsed, together with interest at the rate of 5 per centum per annum, compounded annually, on each premium from the date said premium is due by the terms of the policy.

(b) Premium liens established under the provisions of section 304 of the World War Veterans' Act, 1924, shall continue to bear interest at the rate of 5 per centum per annum, compounded annually, and will be deducted from any settlement of insurance to which they are attached.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1163, §759; Pub. L. 99-576, title VII, §701(33), Oct. 28, 1986, 100 Stat. 3293; renumbered §1959 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Section 304 of the World War Veteran's Act, 1924, referred to in subsec. (b), is section 304 of act June 7, 1924, ch. 320, title III, 43 Stat. 625, which enacted section 515 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, §14(51), Sept. 2, 1958, 72 Stat. 1271.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 759 of this title as this section and substituted “Secretary” for “Administrator” in subsec. (a).

1986—Subsec. (a). Pub. L. 99-576 substituted “the applicant's” for “his” and “the applicant” for “he”.

§ 1960. Waiver of premium payments on due date

(a) The Secretary is authorized to provide by regulations for waiving the payment of premiums on United States Government life insurance on the due date thereof and the insurance may be deemed not to lapse in the cases of the following persons: (1) those who are confined in hospital under the Department for a compensable disability during the period while they are so confined; (2) those who are rated as temporarily totally disabled by reason of any injury or disease entitling them to compensation during the period of such total disability and while they are so rated; (3) those who, while mentally incompetent and for whom no legal guardian had been or has been appointed, allowed or may allow their insurance to lapse during the period for which they have been or hereafter may be rated mentally incompetent, or until a guardian has notified the Department of the guardian's qualification, but not later than six months

after appointment of a guardian. In mentally incompetent cases the waiver is to be made without application and retroactive when necessary. Relief from payment of premiums on the due date thereof shall be for full calendar months, beginning with the month in which said confinement to hospital, the temporary total disability rating, or the mental incompetency began or begins and ending with that month during the half or major fraction of which such persons are no longer entitled to waiver as provided above.

(b) All premiums the payment of which when due is waived as provided in this section shall bear interest at the rate of 5 percent per annum, compounded annually, from the due date of each premium, and if not paid by the insured shall be deducted from the insurance in any settlement thereunder, or when the same matures either because of permanent total disability or death. In the event any lien or other indebtedness established by this section or prior corresponding provision of law exists against any policy of United States Government life insurance in excess of the then cash surrender value thereof at the time of the termination of such policy of insurance for any reason other than by death or total permanent disability the Secretary is authorized to transfer and pay from the military and naval insurance appropriation to the United States Government Life Insurance Fund a sum equal to the amount such lien or indebtedness exceeds the then cash surrender value.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1163, §760; Pub. L. 97-295, §4(28), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, §701(34), Oct. 28, 1986, 100 Stat. 3293; renumbered §1960 and amended Pub. L. 102-83, §§4(a)(3), (4), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 760 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Pub. L. 102-83, §4(a)(3), (4), substituted “Department” for “Veterans’ Administration” in two places.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

1986—Subsec. (a). Pub. L. 99-576 substituted “the guardian’s” for “his”.

1982—Subsec. (b). Pub. L. 97-295 substituted “percent” for “per centum”.

§ 1961. Authority for higher interest rates for amounts payable to beneficiaries

Notwithstanding section 1944(b) of this title, if the beneficiary of an insurance policy issued under the provisions of this subchapter receives the proceeds of such policy under a settlement option under which such proceeds are paid in equal monthly installments over a limited period of months, the interest that may be added to each such installment may be at a rate that is higher than the interest rate prescribed in such section. The Secretary may from time to time establish a higher interest rate under the preceding sentence only in accordance with a determination that such higher rate is administratively and actuarially sound. Any such higher interest rate shall be paid on the unpaid balance of such monthly installments.

(Added Pub. L. 96-128, title III, §303(a), Nov. 28, 1979, 93 Stat. 986, §761; renumbered §1961 and

amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 761 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted “1944(b)” for “744(b)”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

EFFECTIVE DATE

Section effective Nov. 28, 1979, see section 601(b) of Pub. L. 96-128, set out as an Effective Date of 1979 Amendment note under section 1114 of this title.

§ 1962. Authority for higher monthly installments payable to certain annuitants

(a) Subject to subsections (b) and (c) of this section, the Secretary may from time to time adjust the dollar amount of the monthly installments payable to a beneficiary of United States Government Life Insurance who is receiving the proceeds of such insurance under a life annuity settlement option. The Secretary may make such an adjustment only if the Secretary determines that the adjustment is administratively and actuarially sound. The Secretary may make such an adjustment without regard to the provisions of section 1944 of this title with respect to interest rates and the use of mortality tables.

(b) The Secretary shall determine the amount in the trust fund in the Treasury held for payment of proceeds to United States Government Life Insurance beneficiaries attributable to interest and mortality gains on the reserves held for annuity accounts. Such amount shall be available for distribution to the life annuitants referred to in subsection (a) of this section as a fixed percentage of, and in addition to, the monthly installment amount to which the annuitants are entitled under this subchapter. For the purposes of this section, gains on the reserves are defined as funds attributable solely to annuity accounts that are in excess of actuarial liabilities.

(c) The monthly amount of an annuity authorized in section 1944 of this title, as adjusted under this section, may not be less than the monthly amount of such annuity that would otherwise be applicable without regard to this section.

(Added Pub. L. 100-322, title III, §331(b)(1), May 20, 1988, 102 Stat. 536, §762; renumbered §1962 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 762 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “1944” for “744”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted “1944” for “744”.

§ 1963. Authority for payment of interest on settlements

(a) Subject to subsection (b) of this section, the Secretary may pay interest on the proceeds

of a United States Government Life Insurance policy from the date the policy matures to the date of payment of the proceeds to the beneficiary or, in the case of an endowment policy, to the policyholder.

(b)(1) The Secretary may pay interest under subsection (a) of this section only if the Secretary determines that the payment of such interest is administratively and actuarially sound for the settlement option involved.

(2) Interest paid under subsection (a) shall be at the rate that is established by the Secretary for dividends held on credit or deposit in policyholders' accounts.

(Added Pub. L. 100-687, div. B, title XIV, §1401(a)(2), Nov. 18, 1988, 102 Stat. 4128, §763; renumbered §1963 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 763 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing.

EFFECTIVE DATE

Section effective with respect to insurance policies maturing after Nov. 18, 1988, see section 1401(a)(3) of Pub. L. 100-687, set out as a note under section 1928 of this title.

SUBCHAPTER III—SERVICEMEN'S GROUP LIFE INSURANCE

§ 1965. Definitions

For the purpose of this subchapter—

(1) The term "active duty" means—

(A) full-time duty in the Armed Forces, other than active duty for training;

(B) full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service;

(C) full-time duty as a commissioned officer of the National Oceanic and Atmospheric Administration; and

(D) full-time duty as a cadet or midshipman at the United States Military Academy, United States Naval Academy, United States Air Force Academy, or the United States Coast Guard Academy.

(2) The term "active duty for training" means—

(A) full-time duty in the Armed Forces performed by Reserves for training purposes;

(B) full-time duty for training purposes performed as a commissioned officer of the Reserve Corps of the Public Health Service;

(C) full-time duty as a member, cadet, or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises; and

(D) in the case of members of the National Guard or Air National Guard of any State, full-time duty under sections 316, 502, 503, 504, or 505 of title 32, United States Code.

(3) The term "inactive duty training" means—

(A) duty (other than full-time duty) prescribed or authorized for Reserves (including

commissioned officers of the Reserve Corps of the Public Health Service) which duty is scheduled in advance by competent authority to begin at a specific time and place; and

(B) in the case of a member of the National Guard or Air National Guard of any State, such term means duty (other than full-time duty) which is scheduled in advance by competent authority to begin at a specific time and place under sections 316, 502, 503, 504, or 505 of title 32, United States Code.

(4) The terms "active duty for training" and "inactive duty training" do not include duty performed as a temporary member of the Coast Guard Reserve, and the term "inactive duty training" does not include (A) work or study performed in connection with correspondence courses, or (B) attendance at an educational institution in an inactive status.

(5) The term "member" means—

(A) a person on active duty, active duty for training, or inactive duty training in the uniformed services in a commissioned, warrant, or enlisted rank, or grade, or as a cadet or midshipman of the United States Military Academy, United States Naval Academy, United States Air Force Academy, or the United States Coast Guard Academy;

(B) a person who volunteers for assignment to the Ready Reserve of a uniformed service and is assigned to a unit or position in which such person may be required to perform active duty, or active duty for training, and each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes under chapter 1223 of title 10 (or under chapter 67 of that title as in effect before the effective date of the Reserve Officer Personnel Management Act);

(C) a person assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service who has not received the first increment of retirement pay or has not yet reached sixty-one years of age and has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 1223 of title 10 (or under chapter 67 of that title as in effect before the effective date of the Reserve Officer Personnel Management Act);

(D) a person transferred to the Retired Reserve of a uniformed service under the temporary special retirement authority provided in section 1331a¹ of title 10 who has not received the first increment of retirement pay or has not reached sixty-one years of age; and

(E) a member, cadet, or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises.

(6) The term "uniformed services" means the Army, Navy, Air Force, Marine Corps, Coast Guard, the commissioned corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration.

¹ See References in Text note below.

(7) The terms “widow” or “widower” means a person who is the lawful spouse of the insured member at the time of his death.

(8) The term “child” means a legitimate child, a legally adopted child, an illegitimate child as to the mother, or an illegitimate child as to the alleged father, only if (A) he acknowledged the child in writing signed by him; or (B) he has been judicially ordered to contribute to the child's support; or (C) he has been, before his death, judicially decreed to be the father of such child; or (D) proof of paternity is established by a certified copy of the public record of birth or church record of baptism showing that the insured was the informant and was named as father of the child; or (E) proof of paternity is established from service department or other public records, such as school or welfare agencies, which show that with his knowledge the insured was named as the father of the child.

(9) The term “parent” means a father of a legitimate child, mother of a legitimate child, father through adoption, mother through adoption, mother of an illegitimate child, and father of an illegitimate child but only if (A) he acknowledged paternity of the child in writing signed by him before the child's death; or (B) he has been judicially ordered to contribute to the child's support; or (C) he has been judicially decreed to be the father of such child; or (D) proof of paternity is established by a certified copy of the public record of birth or church record of baptism showing that the claimant was the informant and was named as father of the child; or (E) proof of paternity is established from service department or other public records, such as school or welfare agencies, which show that with his knowledge the claimant was named as father of the child. No person who abandoned or willfully failed to support a child during the child's minority, or consented to the child's adoption may be recognized as a parent for the purpose of this subchapter. However, the immediately preceding sentence shall not be applied so as to require duplicate payments in any case in which insurance benefits have been paid prior to receipt in the administrative office established under subsection 1966(b) of this title of sufficient evidence to clearly establish that the person so paid could not qualify as a parent solely by reason of such sentence.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 880, §765; amended Pub. L. 91-291, §1, June 25, 1970, 84 Stat. 326; Pub. L. 92-185, §1, Dec. 15, 1971, 85 Stat. 642; Pub. L. 92-315, June 20, 1972, 86 Stat. 227; Pub. L. 93-289, §§3, 10(1), May 24, 1974, 88 Stat. 165, 172; Pub. L. 99-576, title VII, §701(35), Oct. 28, 1986, 100 Stat. 3293; Pub. L. 102-54, §14(b)(16), June 13, 1991, 105 Stat. 284; renumbered §1965 and amended Pub. L. 102-83, §5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406; Pub. L. 103-337, div. A, title VI, §651(a), title XVI, §1677(d)(1), Oct. 5, 1994, 108 Stat. 2792, 3020.)

REFERENCES IN TEXT

Chapter 67 of title 10 as in effect before the effective date of the Reserve Officer Personnel Management Act, referred to in par. (5)(B), (C), means chapter 67 (§1331 et seq.) of Title 10, Armed Forces, prior to its transfer to

part II of subtitle E of Title 10, its renumbering as chapter 1223, and its general revision by section 1662(j)(1) of Pub. L. 103-337. A new chapter 67 (§1331) of Title 10 was added by section 1662(j)(7) of Pub. L. 103-337. For effective date of the Reserve Officer Personnel Management Act (Pub. L. 103-337, title XVI), see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of Title 10.

Section 1331a of title 10, referred to in par. (5)(D), was renumbered section 12731a of Title 10 and amended generally by Pub. L. 103-337, div. A, title XVI, §1662(j)(1), Oct. 5, 1994, 108 Stat. 2998, 3000.

AMENDMENTS

1994—Par. (5)(B), (C). Pub. L. 103-337, §1677(d)(1), substituted “chapter 1223 of title 10 (or under chapter 67 of that title as in effect before the effective date of the Reserve Officer Personnel Management Act)” for “chapter 67 of title 10”.

Par. (5)(D), (E). Pub. L. 103-337, §651(a), added subpar. (D) and redesignated former subpar. (D) as (E).

1991—Pub. L. 102-83, §5(a), renumbered section 765 of this title as this section.

Par. (4). Pub. L. 102-54, §14(b)(16)(A), redesignated cls. (i) and (ii) as (A) and (B), respectively.

Par. (8). Pub. L. 102-54, §14(b)(16)(B), redesignated cls. (a) to (e) as (A) to (E), respectively.

Par. (9). Pub. L. 102-83, §5(c)(1), substituted “1966(b)” for “766(b)”.

Pub. L. 102-54, §14(b)(16)(B), redesignated cls. (a) to (e) as (A) to (E), respectively.

1986—Par. (5)(B). Pub. L. 99-576, §701(35)(A), substituted “such person” for “he”.

Par. (9). Pub. L. 99-576, §701(35)(B), substituted “the child's” for “his” in two places.

1974—Par. (1)(C). Pub. L. 93-289, §10(1), substituted “National Oceanic and Atmospheric Administration” for “Environmental Science Services Administration”.

Par. (5). Pub. L. 93-289, §3, added cls. (B) and (C), redesignated former cl. (B) as (D), and substituted “midshipman of” for “midshipman at” in cl. (A).

Par. (6). Pub. L. 93-289, §10(1), substituted “National Oceanic and Atmospheric Administration” for “Environmental Science Services Administration”.

1972—Par. (1)(D). Pub. L. 92-315, §1(3), added cl. (D).

Par. (5)(A). Pub. L. 92-315, §1(4), expanded definition of “member” to include persons in active duty as a cadet or midshipman at the United States Military Academy, United States Naval Academy, United States Air Force Academy and the United States Coast Guard Academy.

1971—Pars. (7) to (9). Pub. L. 92-185 added pars. (7) to (9) defining, respectively, “widow” or “widower”, “child”, and “parent”.

1970—Pub. L. 91-291 struck out from definition of “active duty” a reference to calls or orders to duty which specify a period of 30 days or less, inserted definitions for “active duty for training” and “inactive duty training”, and, in definition of “uniformed services”, inserted provisions limiting the scope of that term in the case of personnel of the Public Health Service and the Environmental Science Services Administration to the commissioned corps thereof respectively.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by section 1677(d)(1) of Pub. L. 103-337 effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of Title 10, Armed Forces.

EFFECTIVE DATE OF 1974 AMENDMENT

Section 12(2) of Pub. L. 93-289 provided that: “The amendments relating to Servicemen's Group Life Insurance coverage on a full-time basis for certain members of the Reserves and National Guard shall become effective upon the date of enactment of this Act [May 24, 1974].”

EFFECTIVE DATE OF 1971 AMENDMENT

Section 2 of Pub. L. 92-185 provided that: “The provisions of this Act [amending this section] shall apply

only to Servicemen's Group Life Insurance in effect on the life of an insured member who dies on or after the date of enactment of this Act [Dec. 15, 1971]."

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

Section 14(b) of Pub. L. 91-291 provided that: "The provisions of section 765(7), (8), and (9) [now 1765(7), (8), and (9)] of title 38, United States Code, as added by the first section of this Act shall apply only to servicemen's group life insurance in effect on the life of an insured member who dies on and after the date of enactment of this Act [June 25, 1970]."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1967, 1968, 1969 of this title.

§ 1966. Eligible insurance companies

(a) The Secretary is authorized, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), to purchase from one or more life insurance companies a policy or policies of group life insurance to provide the benefits specified in this subchapter. Each such life insurance company must (1) be licensed to issue life insurance in each of the fifty States of the United States and in the District of Columbia, and (2) as of the most recent December 31 for which information is available to the Secretary, have in effect at least 1 percent of the total amount of group life insurance which all life insurance companies have in effect in the United States.

(b) The life insurance company or companies issuing such policy or policies shall establish an administrative office at a place and under a name designated by the Secretary.

(c) The Secretary shall arrange with the life insurance company or companies issuing any policy or policies under this subchapter to reinsure, under conditions approved by the Secretary, portions of the total amount of insurance under such policy or policies with such other life insurance companies (which meet qualifying criteria set forth by the Secretary) as may elect to participate in such reinsurance.

(d) The Secretary may at any time discontinue any policy or policies which the Secretary has purchased from any insurance company under this subchapter.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 880, §766; amended Pub. L. 97-295, §4(29), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, §701(36), Oct. 28, 1986, 100 Stat. 3293; renumbered §1966 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 766 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing.

1986—Subsec. (c). Pub. L. 99-576, §701(36)(A), substituted "the Administrator" for "him".

Subsec. (d). Pub. L. 99-576, §701(36)(B), substituted "the Administrator" for "he".

1982—Subsec. (a). Pub. L. 97-295 substituted "percent" for "per centum".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1965, 1967, 1968, 1969, 1970, 1971, 1972, 1977 of this title.

§ 1967. Persons insured; amount

(a) Any policy of insurance purchased by the Secretary under section 1966 of this title shall automatically insure against death—

(1) any member of a uniformed service on active duty, active duty for training, or inactive duty training scheduled in advance by competent authority;

(2) any member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 1965(5)(B) of this title;

(3) any member assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service who meets the qualifications set forth in section 1965(5)(C) of this title; and

(4) any member assigned to the Retired Reserve of a uniform service who meets the qualifications set forth in section 1965(5)(D) of this title;

in the amount of \$100,000, unless such member elects in writing (A) not to be insured under this subchapter, or (B) to be insured in an amount less than \$100,000 that is evenly divisible by \$10,000. The insurance shall be effective the first day of active duty or active duty for training, or the beginning of a period of inactive duty training scheduled in advance by competent authority, or the first day a member of the Ready Reserve meets the qualifications set forth in section 1965(5)(B) of this title, or the first day a member of the Reserves, whether or not assigned to the Retired Reserve of a uniformed service, meets the qualifications of section 1965(5)(C) of this title, or the first day a member of the Reserves meets the qualifications of section 1965(5)(D) of this title, or the date certified by the Secretary to the Secretary concerned as the date Servicemen's Group Life Insurance under this subchapter for the class or group concerned takes effect, whichever is the later date.

(b) Any member (other than one who has elected not to be insured under this subchapter for the period or periods of duty involved)—

(1) who, when authorized or required by competent authority, assumes an obligation to perform (for less than thirty-one days) active duty, or active duty for training, or inactive duty training scheduled in advance by competent authority; and

(2) who is rendered uninsurable at standard premium rates according to the good health standards approved by the Secretary, or dies within one hundred and twenty days thereafter, from a disability, or aggravation of a preexisting disability, incurred by such member while proceeding directly to or returning directly from such active duty, active duty for training, or inactive duty training as the case may be;

shall be deemed to have been on active duty, active duty for training, or inactive duty training, as the case may be, and to have been insured under this subchapter at the time such disability was incurred or aggravated, and if death occurs within one hundred and twenty days thereafter as a result of such disability to have been insured at the time of death. In determining whether or not such individual was so author-

ized or required to perform such duty, and whether or not such member was rendered uninsurable or died within one hundred and twenty days thereafter from a disability so incurred or aggravated, there shall be taken into account the call or order to duty, the orders and authorizations of competent authority, the hour on which the member began to so proceed or to return, the hour on which such member was scheduled to arrive for, or on which such member ceased to perform such duty; the method of travel employed; such member's itinerary; the manner in which the travel was performed; and the immediate cause of disability or death. Whenever any claim is filed alleging that the claimant is entitled to benefits by reason of this subsection, the burden of proof shall be on the claimant.

(c) If any member elects not to be insured under this subchapter or to be insured in any amount less than \$100,000, such member may thereafter be insured under this subchapter in the amount of \$100,000 or any lesser amount evenly divisible by \$10,000 upon written application, proof of good health, and compliance with such other terms and conditions as may be prescribed by the Secretary. Any former member insured under Veterans' Group Life Insurance who again becomes eligible for Servicemen's Group Life Insurance and declines such coverage solely for the purpose of maintaining such member's Veterans' Group Life Insurance in effect shall upon termination of coverage under Veterans' Group Life Insurance be automatically insured under Servicemen's Group Life Insurance, if otherwise eligible therefor.

(d) Notwithstanding any other provision of this section, any member who on May 1, 1991 is a member of the Retired Reserve of a uniformed service (or who upon application would be eligible for assignment to the Retired Reserve of a uniformed service) may obtain increased insurance coverage in the amount of \$100,000 or any lesser amount evenly divisible by \$10,000 if—

(1) the member—

(A) is insured under this subchapter on May 1, 1991; or

(B) within one year after May 1, 1991, reinstates insurance under this subchapter that had lapsed for nonpayment of premiums; and

(2) the member submits a written application for the increased coverage to the office established pursuant to section 1966(b) of this title within one year after May 1, 1991.

(e) In addition to the amounts of insurance otherwise provided under this section, an eligible member may, upon application, obtain increased coverage beyond that provided under this section in the amount of \$100,000, or any lesser amount evenly divisible by \$10,000.

(f) The effective date and time for any change in benefits under the Servicemen's Group Life Insurance Program shall be based on the date and time according to the time zone immediately west of the International Date Line.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 881, §767; amended Pub. L. 91-291, §2, June 25, 1970, 84 Stat. 327; Pub. L. 93-289, §4, May 24, 1974, 88 Stat. 166; Pub. L. 97-66, title IV, §401(a), Oct. 17, 1981, 95 Stat. 1030; Pub. L. 99-166, title

IV, §401(a), Dec. 3, 1985, 99 Stat. 956; Pub. L. 99-576, title VII, §701(37), Oct. 28, 1986, 100 Stat. 3293; Pub. L. 102-25, title III, §336(a), Apr. 6, 1991, 105 Stat. 89; renumbered §1967 and amended Pub. L. 102-83, §4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 102-568, title II, §201, Oct. 29, 1992, 106 Stat. 4324; Pub. L. 103-160, div. A, title XI, §1175(a), Nov. 30, 1993, 107 Stat. 1768; Pub. L. 103-337, div. A, title VI, §651(b), Oct. 5, 1994, 108 Stat. 2792.)

AMENDMENTS

1994—Subsec. (a). Pub. L. 103-337, §651(b)(4), inserted “or the first day a member of the Reserves meets the qualifications of section 1965(5)(D) of this title,” after “section 1965(5)(C) of this title,” in second sentence.

Subsec. (a)(4). Pub. L. 103-337, §651(b)(1)-(3), added par. (4).

1993—Subsec. (f). Pub. L. 103-160 added subsec. (f).

1992—Subsec. (e). Pub. L. 102-568 added subsec. (e).

1991—Pub. L. 102-83, §5(a), renumbered section 767 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “1966” for “766”, “1965(5)(B)” for “765(5)(B)” in two places, and “1965(5)(C)” for “765(5)(C)” in two places.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” in introductory provisions and in last sentence.

Pub. L. 102-25, §336(a)(1), substituted “\$100,000” for “\$50,000” in two places in concluding provisions.

Subsec. (b)(2). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Subsec. (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Pub. L. 102-25, §336(a)(1), substituted “\$100,000” for “\$50,000” in two places.

Subsec. (d). Pub. L. 102-83, §5(c)(1), substituted “1966(b)” for “766(b)” in par. (2).

Pub. L. 102-54, §336(a)(2), substituted “May 1, 1991” for “January 1, 1986” wherever appearing and “\$100,000” for “\$50,000” in introductory provisions.

1986—Subsec. (b). Pub. L. 99-576, §701(37)(A), substituted “such member” for “him”, “such member” for “he” in three places, and “such member's” for “his”.

Subsec. (c). Pub. L. 99-576, §701(37)(B)(i), substituted “such member's” for “his”.

Pub. L. 99-576, §701(37)(B)(ii), which directed that subsec. (c) be amended by substituting “such member” for “he”, could not be executed, because “he” does not appear in text. See 1985 Amendment note below.

1985—Subsec. (a). Pub. L. 99-166, §401(a)(1), increased the amount of insurance to \$50,000 from \$35,000 and substituted “an amount less than \$50,000 that is evenly divisible by \$10,000” for “the amount of \$30,000, \$25,000, \$20,000, \$15,000, \$10,000, or \$5,000”.

Subsec. (c). Pub. L. 99-166, §401(a)(2), substituted “any amount less than \$50,000, such member may thereafter be insured under this subchapter in the amount of \$50,000 or any lesser amount evenly divisible by \$10,000” for “the amount of \$30,000, \$25,000, \$20,000, \$15,000, \$10,000, or \$5,000, he may thereafter be insured under this subchapter or insured in the amount of \$35,000, \$30,000, \$25,000, \$20,000, \$15,000, or \$10,000 under this subchapter, as the case may be.”.

Subsec. (d). Pub. L. 99-166, §401(a)(3), substituted “January 1, 1986” for “the effective date of this subsection” wherever appearing, and substituted “in the amount of \$50,000 or any lesser amount evenly divisible by \$10,000” for “up to a maximum of \$35,000 (in any amount divisible by \$5,000)”.

1981—Subsec. (a). Pub. L. 97-66, §401(a)(1), substituted “in the amount of \$35,000 unless such member elects in writing (A) not to be insured under this subchapter, or (B) to be insured in the amount of \$30,000, \$25,000, \$20,000, \$15,000, \$10,000, or \$5,000” for “in the amount of \$20,000 unless such member elects in writing (A) not to be insured under this subchapter, or (B) to be insured in the amount of \$15,000, \$10,000, or \$5,000”.

Subsec. (c). Pub. L. 97-66, §401(a)(2), substituted "insured in the amount of \$30,000, \$25,000, \$20,000, \$15,000, \$10,000, or \$5,000, he may thereafter be insured under this subchapter or insured in the amount of \$35,000, \$30,000, \$25,000, \$20,000, \$15,000, or \$10,000 under this subchapter" for "insured in the amount of \$15,000, \$10,000, or \$5,000, he may thereafter be insured under this subchapter or insured in the amount of \$20,000, \$15,000, or \$10,000 under this subchapter".

Subsec. (d). Pub. L. 97-66, §401(a)(3), added subsec. (d). 1974—Subsec. (a). Pub. L. 93-289, §4(1), authorized insurance for any member of Ready Reserve who meets qualifications set forth in section 765(5)(B) of this title, and any member assigned to, or who upon application would be eligible for assignment to, the Retired Reserve who meets the qualifications set forth in section 765(5)(C) of this title, increased the amount of insurance from \$15,000 to \$20,000, permitted a member to elect to be insured for \$15,000, and prescribed the effective dates of insurance for members of the Ready Reserve and members of the Reserves, whether or not assigned to the Retired Reserves.

Subsec. (b). Pub. L. 93-289, §4(2), substituted "one hundred and twenty days" for "ninety days" in three places.

Subsec. (c). Pub. L. 93-289, §4(3), inserted provisions authorizing members who elected to be insured in amounts of \$15,000, \$10,000, or \$5,000 to increase the amount of insurance to \$20,000, and inserted sentence providing for automatic insurance for former members insured under Veterans' Group Life Insurance who decline coverage under Servicemen's Group Life Insurance.

1970—Subsec. (a). Pub. L. 91-291 increased from \$10,000 to \$15,000 maximum amount of insurance authorized for members of uniformed services and inserted references to active duty for training and inactive duty training scheduled in advance by competent authority.

Subsec. (b). Pub. L. 91-291 added subsec. (b). Former subsec. (b) redesignated (c).

Subsec. (c). Pub. L. 91-291 redesignated former subsec. (b) as subsec. (c) and inserted provisions reflecting the increase from \$10,000 to \$15,000 in maximum available insurance for members of uniformed services.

EFFECTIVE DATE OF 1993 AMENDMENT

Section 1175(b) of Pub. L. 103-160 provided that: "The amendment made by subsection (a) [amending this section] shall apply with respect to amendments to chapter 19 of title 38, United States Code, that take effect after November 29, 1992."

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-568 effective Dec. 1, 1992, see section 205 of Pub. L. 102-568, set out as an Effective Date note under section 1922A of this title.

EFFECTIVE DATE OF 1991 AMENDMENT

Section 336(c)(1) of Pub. L. 102-25 provided that: "The amendments made by subsection (a) [amending this section] shall apply with respect to deaths on or after the date of the enactment of this Act [Apr. 6, 1991]."

EFFECTIVE DATE OF 1985 AMENDMENT

Section 401(c) of Pub. L. 99-166, as amended by Pub. L. 99-227, §3, Dec. 28, 1985, 99 Stat. 1745, provided that: "(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) [amending this section and section 777 [now 1977] of this title] shall take effect on January 1, 1986.

"(2) The amendment made by subsection (a)(1)(A) [amending this section] shall be deemed to have taken effect on December 12, 1985, with respect to members who—

"(A) died after December 11, 1985, and before January 1, 1986; and

"(B) were, on the date of death, insured in the amount of \$35,000 under subchapter III of chapter 19 of title 38, United States Code."

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Dec. 1, 1981, see section 701(b)(2) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1974 AMENDMENT

Section 12(3) of Pub. L. 93-289 provided that: "The amendments increasing the maximum amount of Servicemen's Group Life Insurance shall become effective upon the date of enactment of this Act [May 24, 1974]."

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

PAYMENT OF DEATH GRATUITY TO SGLI BENEFICIARIES

Pub. L. 103-139, title VIII, §8134, Nov. 11, 1993, 107 Stat. 1471, provided that:

"(a)(1) The Secretary of Defense shall pay a death gratuity under this section to each beneficiary under a Servicemen's Group Life Insurance policy in the case of each deceased member of the uniformed services described in paragraph (2).

"(2) This section applies with respect to any member of the uniformed services—

"(A) who died on or after October 29, 1992 (the date of the enactment of the Veterans' Benefits Act of 1992 (Public Law 102-568)), and before December 1, 1992 (the effective date of amendments made by title II of the Act, relating to veterans' life insurance programs); and

"(B) whose death was in performance of duty.

"(b)(1) The amount of the death gratuity payable to a beneficiary under this section shall be equal to the amount of the life insurance proceeds paid or payable to that beneficiary under section 1967(a) of title 38, United States Code, by reason of death of such member.

"(2) In the case of a deceased member of the uniformed services who, before death, affirmatively elected, in writing, to apply for an increase in SGLI coverage in an amount less than \$100,000 under subsection (e) of section 1967 of title 38, United States Code, the death gratuity paid under this section shall be equal to the amount of the increase so elected.

"(c) A death gratuity may not be paid under this section if the deceased member, before death, affirmatively elected, in writing, to apply for increased SGLI coverage under subsection (e) of section 1967 of title 38, United States Code, and, by reason of a provision of law enacted after October 29, 1992, insurance is payable pursuant to that election.

"(d) A death gratuity shall be payable under this section to an SGLI beneficiary upon receipt of a written application for the payment of such gratuity. Any such application must be received by the Secretary of Defense not later than September 30, 1994.

"(e) In addition to amounts otherwise appropriated in this Act [see Tables for classification], the amount of \$5,300,000 is hereby appropriated for, and shall be available only for, the payment of death gratuities under this section. Funds provided under this section shall remain available until expended for any valid claims received by the Secretary of Defense not later than September 30, 1994."

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1968, 1977 of this title.

§ 1968. Duration and termination of coverage; conversion

(a) Each policy purchased under this subchapter shall contain a provision, in terms approved by the Secretary, to the effect that any insurance thereunder on any member of the uniformed services, unless discontinued or reduced

upon the written request of the insured, shall continue in effect while the member is on active duty, active duty for training, or inactive duty training scheduled in advance by competent authority during the period thereof, or while the member meets the qualifications set forth in subparagraph (B), (C), or (D) of section 1965(5) of this title, and such insurance shall cease—

(1) with respect to a member on active duty or active duty for training under a call or order to duty that does not specify a period of less than thirty-one days—

(A) one hundred and twenty days after the separation or release from active duty or active duty for training, unless on the date of such separation or release the member is totally disabled, under criteria established by the Secretary, in which event the insurance shall cease one year after the date of separation or release from such active duty or active duty for training, or on the date the insured ceases to be totally disabled, whichever is the earlier date, but in no event prior to the expiration of one hundred and twenty days after such separation or release; or

(B) at the end of the thirty-first day of a continuous period of (i) absence without leave, (ii) confinement by civil authorities under a sentence adjudged by a civilian court, or (iii) confinement by military authorities under a courtmartial sentence involving total forfeiture of pay and allowances. Any insurance so terminated as the result of such an absence or confinement, together with any beneficiary designation in effect for such insurance at such termination thereof, shall be automatically revived as of the date the member is restored to active duty with pay or to active duty for training with pay.

(2) with respect to a member on active duty or active duty for training under a call or order to duty that specifies a period of less than thirty-one days insurance under this subchapter shall cease at midnight, local time, on the last day of such duty, unless on such date the insured is suffering from a disability incurred or aggravated during such period which, within one hundred and twenty days after such date, (i) results in death, or (ii) renders the member uninsurable at standard premium rates according to the good health standards approved by the Secretary, in which event the insurance shall continue in force to death, or for one hundred and twenty days after such date, whichever is the earlier date.

(3) with respect to a member on inactive duty training scheduled in advance by competent authority insurance under this subchapter shall cease at the end of such scheduled training period, unless at such time the insured is suffering from a disability incurred, or aggravated during such period which, within one hundred and twenty days after the date of such training, (i) results in death, or (ii) renders the member uninsurable at standard premium rates according to the good health standards approved by the Secretary in which event the insurance shall continue in force to death, or for one hundred and twenty days after the date such training terminated, whichever is the earlier date.

(4) with respect to a member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 1965(5)(B) of this title, one hundred and twenty days after separation or release from such assignment—

(A) unless on the date of such separation or release the member is totally disabled, under criteria established by the Secretary, in which event the insurance shall cease one year after the date of separation or release from such assignment, or on the date the insured ceases to be totally disabled, whichever is the earlier date, but in no event prior to the expiration of one hundred and twenty days after separation or release from such assignment;

(B) unless on the date of such separation or release the member has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 1223 of title 10 (or under chapter 67 of that title as in effect before the effective date of the Reserve Officer Personnel Management Act) and would upon application be eligible for assignment to or is assigned to the Retired Reserve, in which event the insurance, unless converted to an individual policy under terms and conditions set forth in section 1977(e) of this title, shall, upon timely payment of premiums under terms prescribed by the Secretary directly to the administrative office established under section 1966(b) of this title, continue in force until receipt of the first increment of retirement pay by the member or the member's sixty-first birthday, whichever occurs earlier; or

(C) unless on the date of such separation or release the member is transferred to the Retired Reserve of a uniformed service under the temporary special retirement authority provided in section 1331a¹ of title 10, in which event the insurance, unless converted to an individual policy under terms and conditions set forth in section 1977(e) of this title, shall, upon timely payment of premiums under terms prescribed by the Secretary directly to the administrative office established under section 1966(b) of this title, continue in force until receipt of the first increment of retirement pay by the member or the member's sixty-first birthday, whichever occurs earlier.

(5) with respect to a member of the Retired Reserve who meets the qualifications of section 1965(5)(C) of this title, and who was assigned to the Retired Reserve prior to the date insurance under the amendment made by section 5(a) of the Veterans' Insurance Act of 1974 (Public Law 93-289, 88 Stat. 166) is placed in effect for members of the Retired Reserve, at such time as the member receives the first increment of retirement pay, or the member's sixty-first birthday, whichever occurs earlier, subject to the timely payment of the initial and subsequent premiums, under terms prescribed by the Secretary, directly to the administrative office established under section 1966(b) of this title.

¹ See References in Text note below.

(6) with respect to a member of the Retired Reserve who meets the qualifications of section 1965(5)(D) of this title, at such time as the member receives the first increment of retirement pay, or the member's sixty-first birthday, whichever occurs earlier, subject to the timely payment of the initial and subsequent premiums, under terms prescribed by the Secretary, directly to the administrative office established under section 1966(b) of this title.

(b) Each policy purchased under this subchapter shall contain a provision, in terms approved by the Secretary, that, except as hereinafter provided, Servicemen's Group Life Insurance which is continued in force after expiration of the period of duty or travel under section 1967(b) or 1968(a) of this title, effective the day after the date such insurance would cease, shall be automatically converted to Veterans' Group Life Insurance subject to (1) the timely payment of the initial premium under terms prescribed by the Secretary, and (2) the terms and conditions set forth in section 1977 of this title. Such automatic conversion shall be effective only in the case of an otherwise eligible member or former member who is separated or released from a period of active duty or active duty for training or inactive duty training on or after the date on which the Veterans' Group Life Insurance program (provided for under section 1977 of this title) becomes effective. Servicemen's Group Life Insurance continued in force under section 1968(a)(4)(B) or (5) of this title shall not be converted to Veterans' Group Life Insurance. However, a member whose insurance could be continued in force under section 1968(a)(4)(B) of this title, but is not so continued, may, effective the day after the insurance otherwise would cease, convert such insurance to an individual policy under the terms and conditions set forth in section 1977(e) of this title.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 881, §768; amended Pub. L. 91-291, §3, June 25, 1970, 84 Stat. 328; Pub. L. 93-289, §5(a), May 24, 1974, 88 Stat. 166; Pub. L. 97-295, §4(30), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, §701(38), Oct. 28, 1986, 100 Stat. 3293; renumbered §1968 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 103-337, div. A, title VI, §651(c), title XVI, §1677(d)(1), Oct. 5, 1994, 108 Stat. 2792, 3020.)

REFERENCES IN TEXT

Chapter 67 of title 10 as in effect before the effective date of the Reserve Officer Personnel Management Act, referred to in subsec. (a)(4)(B), means chapter 67 (§1331 et seq.) of Title 10, Armed Forces, prior to its transfer to part II of subtitle E of Title 10, its renumbering as chapter 1223, and its general revision by section 1662(j)(1) of Pub. L. 103-337. A new chapter 67 (§1331) of Title 10 was added by section 1662(j)(7) of Pub. L. 103-337. For effective date of the Reserve Officer Personnel Management Act (Pub. L. 103-337, title XVI), see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of Title 10.

Section 1331a of title 10, referred to in subsec. (a)(4)(C), was renumbered section 12731a of Title 10 and amended generally by Pub. L. 103-337, div. A, title XVI, §1662(j)(1), Oct. 5, 1994, 108 Stat. 2998, 3000.

The amendment made by section 5(a) of the Veterans' Insurance Act of 1974 (Public Law 93-289, 88 Stat. 166), referred to in subsec. (a)(5), refers to the 1974 amendment of this section by section 5(a) of Pub. L. 93-289.

AMENDMENTS

1994—Subsec. (a). Pub. L. 103-337, §651(c)(1), substituted “subparagraph (B), (C), or (D) of section 1965(5)” for “section 1965(5)(B) or (C)” in introductory provisions.

Subsec. (a)(4)(B). Pub. L. 103-337, §1677(d)(1), substituted “chapter 1223 of title 10 (or under chapter 67 of that title as in effect before the effective date of the Reserve Officer Personnel Management Act)” for “chapter 67 of title 10”.

Subsec. (a)(4)(C). Pub. L. 103-337, §651(c)(2), added subpar. (C).

Subsec. (a)(6). Pub. L. 103-337, §651(c)(3), added par. (6).

1991—Pub. L. 102-83, §5(a), renumbered section 768 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted “1965(5)(B)” for “765(5)(B)” in two places, “1977(e)” for “777(e)”, “1966(b)” for “766(b)” in two places, and “1965(5)(C)” for “765(5)(C)”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

Subsec. (b). Pub. L. 102-83, §5(c)(1), substituted “1967(b) or 1968(a)” for “767(b) or 768(a)”, “1977” for “777” in two places, “1968(a)(4)(B)” for “768(a)(4)(B)” in two places, and “1977(e)” for “777(e)”.

Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator” in two places.

1986—Subsec. (a)(2), (3). Pub. L. 99-576, §701(38)(A), (B), struck out “his” before “death”, and substituted “the member” for “his”.

Subsec. (b). Pub. L. 99-576, §701(38)(C), substituted “the” for “he” before “insurance otherwise”.

1982—Subsec. (a)(5). Pub. L. 97-295 substituted “the amendment made by section 5(a) of the Veterans' Insurance Act of 1974 (Public Law 93-289, 88 Stat. 166)” for “this amendment”.

1974—Subsec. (a). Pub. L. 93-289, §5(a)(1)–(3), inserted in opening provisions “or while the member meets the qualifications set forth in section 765(5)(B) or (C) of this title,” substituted “one hundred and twenty days” for “ninety days” wherever appearing in pars. (2) and (3), and added pars. (4) and (5).

Subsec. (b). Pub. L. 93-289, §5(a)(4), substituted provisions requiring policies of Servicemen's Group Life Insurance to contain a provision automatically converting such policy to Veterans' Group Life Insurance, for provisions which required such policies to contain a provision for conversion to an individual policy of insurance, and inserted sentences providing for the effective date of automatic conversion, prohibiting conversion of Servicemen's Group Life Insurance continued in force under section 768(a)(4)(B) or (5) of this title, and authorizing conversion by a member whose insurance could be continued in force under section 768(a)(4)(B) of this title, but is not so continued.

Subsec. (c). Pub. L. 93-289, §5(a)(5), repealed subsec. (c) which related to conversion by eligible insured persons to policies written by companies participating in the program established by this subchapter.

1970—Subsec. (a). Pub. L. 91-291 designated existing provisions as subsec. (a) and substituted provisions covering the duration of coverage for provisions covering termination of coverage. For termination and conversion of insurance see subssecs. (b) and (c) of this section.

Subsecs. (b), (c). Pub. L. 91-291 added subssecs. (b) and (c).

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by section 1677(d)(1) of Pub. L. 103-337 effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of Title 10, Armed Forces.

EFFECTIVE DATE OF 1974 AMENDMENT

Section 12(4) of Pub. L. 93-289 provided that: “The amendments made by sections 5(a)(4) and (5) of this Act [amending this section], and those enacting a Veterans' Group Life Insurance program [sections 777, 778, and 779

[now 1977, 1978, and 1979] of this title] shall become effective on the first day of the third calendar month following the month in which this Act is enacted [May 1974]."

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

RIGHT OF PERSONS DISCHARGED OR RELEASED FROM UNIFORMED SERVICES TO CONVERT SERVICEMEN'S GROUP LIFE INSURANCE TO INDIVIDUAL POLICIES

Section 5(b) of Pub. L. 93-289 provided that the amendments made by Pub. L. 93-289, enacting sections 777, 778, and 779 [now 1977, 1978, and 1979] of this title and section 707 of Title 37, Pay and Allowances of the Uniformed Services, and amending sections 723, 765, 767, 768, 769, 770, 771, and 774 [now 1923, 1965, 1967, 1968, 1969, 1970, 1971, and 1974] of this title, not be construed to deprive any person discharged or released from the uniformed services of the United States prior to the date on which the Veterans' Group Life Insurance program (provided for under section 777 [now 1977] of this title) became effective of the right to convert Servicemen's Group Life Insurance to an individual policy under the provisions of law in effect prior to such effective date.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1977 of this title.

§ 1969. Deductions; payment; investment; expenses

(a)(1) During any period in which a member, on active duty or active duty for training under a call or order to such duty that does not specify a period of less than thirty-one days, is insured under Servicemen's Group Life Insurance, there shall be deducted each month from the member's basic or other pay until separation or release from such duty an amount determined by the Secretary (which shall be the same for all such members) as the share of the cost attributable to insuring such member under such policy, less any costs traceable to the extra hazard of such duty in the uniformed service.

(2) During any month in which a member is assigned to the Ready Reserve of a uniformed service under conditions which meet the qualifications of section 1965(5)(B) of this title, is assigned to the Reserve (other than the Retired Reserve) and meets the qualifications of section 1965(5)(C) of this title, or is assigned to the Retired Reserve and meets the qualifications of section 1965(5)(D) of this title, and is insured under a policy of insurance purchased by the Secretary, under section 1966 of this title, there shall be contributed from the appropriation made for active duty pay of the uniformed service concerned an amount determined by the Secretary (which shall be the same for all such members) as the share of the cost attributable to insuring such member under this policy, less any costs traceable to the extra hazards of such duty in the uniformed services. Any amounts so contributed on behalf of any individual shall be collected by the Secretary concerned from such individual (by deduction from pay or otherwise) and shall be credited to the appropriation from which such contribution was made.

(3) During any fiscal year, or portion thereof, that a member is on active duty or active duty for training under a call or order to such duty

that specifies a period of less than thirty-one days, or is authorized or required to perform inactive duty training scheduled in advance by competent authority, and is insured under Servicemen's Group Life Insurance, the Secretary concerned shall collect from the member (by deduction from pay or otherwise) an amount determined by the Secretary (which shall be the same for all such members) as the share of the cost attributable to insuring such member under such policy, less any costs traceable to the extra hazard of such duty in the uniformed service.

(4) Any amount not deducted from the basic or other pay of a member insured under Servicemen's Group Life Insurance, or collected from the member by the Secretary concerned, if not otherwise paid, shall be deducted from the proceeds of any insurance thereafter payable. The initial monthly amount under paragraph (1) or (2) hereof, or fiscal year amount under paragraph (3) hereof, determined by the Secretary to be charged under this section for Servicemen's Group Life Insurance may be continued from year to year, except that the Secretary may redetermine such monthly or fiscal year amounts from time to time in accordance with experience. No refunds will be made to any member of any amount properly deducted from the member's basic or other pay, or collected from the member by the Secretary concerned, to cover the insurance granted under Servicemen's Group Life Insurance.

(b) For each month for which any member is so insured, there shall be contributed from the appropriation made for active duty pay of the uniformed service concerned an amount determined by the Secretary and certified to the Secretary concerned to be the cost of Servicemen's Group Life Insurance which is traceable to the extra hazard of duty in the uniformed services. Effective January 1, 1970, such cost shall be determined by the Secretary on the basis of the excess mortality incurred by members and former members of the uniformed services insured under Servicemen's Group Life Insurance above what their mortality would have been under peacetime conditions as such mortality is determined by the Secretary using such methods and data as the Secretary shall determine to be reasonable and practicable. The Secretary is authorized to make such adjustments regarding contributions from pay appropriations as may be indicated from actual experience.

(c) An amount equal to the first amount due on Servicemen's Group Life Insurance may be advanced from current appropriations for active-service pay to any such member, which amount shall constitute a lien upon any service or other pay accruing to the person from whom such advance was made and shall be collected therefrom if not otherwise paid. No disbursing or certifying officer shall be responsible for any loss incurred by reason of such advance.

(d)(1) The sums withheld from the basic or other pay of members, or collected from them by the Secretary concerned, under subsection (a) of this section, and the sums contributed from appropriations under subsection (b) of this section, together with the income derived from any dividends or premium rate adjustments received from insurers shall be deposited to the credit of

a revolving fund established in the Treasury of the United States. All premium payments and extra hazard costs on Servicemen's Group Life Insurance and the administrative cost to the Department of insurance issued under this subchapter shall be paid from the revolving fund.

(2) The Secretary is authorized to set aside out of the revolving fund such amounts as may be required to meet the administrative costs to the Department of insurance issued under this subchapter and all current premium payments and extra hazard costs on any insurance policy or policies purchased under section 1966 of this title. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligation shall be the multiple of one-eighth of 1 per centum nearest such market yield.

(3) Notwithstanding the provisions of section 1982 of this title, the Secretary shall, from time to time, determine the administrative costs to the Department which in the Secretary's judgment are properly allocable to insurance issued under this subchapter and shall transfer such cost from the revolving fund to the appropriation "General Operating Expenses, Department of Veterans Affairs".

(e) The premiums for Servicemen's Group Life Insurance placed in effect or continued in force for a member assigned to the Retired Reserve of a uniformed service who meets the qualifications of subparagraph (C) or (D) of section 1965(5) of this title, shall be established under the criteria set forth in subsections (a) and (c) of section 1971 of this title, except that the Secretary may provide for average premiums for such various age groupings as the Secretary may determine to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing or continuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Secretary directly to the administrative office established for such insurance under section 1966(b) of this title. The provisions of subsections (d) and (e) of section 1971 of this title shall be applicable to Servicemen's Group Life Insurance continued in force or issued to a member assigned to the Retired Reserve of a uniformed service. However, a separate accounting may be required by the Secretary for insurance issued to or continued in force on the lives of members assigned to the Retired Reserve and for other insurance in force under this subchapter. In such accounting, the Secretary is

authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

(f) The Secretary of Defense shall prescribe regulations for the administration of the functions of the Secretaries of the military departments under this section. Such regulations shall prescribe such procedures as the Secretary of Defense, after consultation with the Secretary, may consider necessary to ensure that such functions are carried out in a timely and complete manner and in accordance with the provisions of this section, including specifically the provisions of subsection (a)(2) of this section relating to contributions from appropriations made for active duty pay.

(g)(1) No tax, fee, or other monetary payment may be imposed or collected by any State, or by any political subdivision or other governmental authority of a State, on or with respect to any premium paid under an insurance policy purchased under this subchapter.

(2) Paragraph (1) of this subsection shall not be construed to exempt any company issuing a policy of insurance under this subchapter from the imposition, payment, or collection of a tax, fee, or other monetary payment on the net income or profit accruing to or realized by that company from business conducted under this subchapter, if that tax, fee, or payment is applicable to a broad range of business activity.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 881, §769; amended Pub. L. 91-291, §4, June 25, 1970, 84 Stat. 329; Pub. L. 93-289, §§6, 10(2), May 24, 1974, 88 Stat. 168, 172; Pub. L. 97-66, title IV, §402, Oct. 17, 1981, 95 Stat. 1031; Pub. L. 99-576, title VII, §701(39), Oct. 28, 1986, 100 Stat. 3293; Pub. L. 100-322, title III, §332(a), May 20, 1988, 102 Stat. 537; renumbered §1969 and amended Pub. L. 102-83, §§4(a)(3), (4), (b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406; Pub. L. 103-337, div. A, title VI, §651(d), Oct. 5, 1994, 108 Stat. 2793; Pub. L. 103-446, title XII, §1201(e)(8), (i)(3), Nov. 2, 1994, 108 Stat. 4685, 4688.)

AMENDMENTS

1994—Subsec. (a)(2). Pub. L. 103-337, §651(d)(1), substituted "is assigned to the Reserve" for "or is assigned to the Reserve" and inserted "or is assigned to the Retired Reserve and meets the qualifications of section 1965(5)(D) of this title," after "section 1965(5)(C) of this title,".

Subsec. (d)(3). Pub. L. 103-446, §1201(i)(3), substituted "Department of Veterans Affairs" for "Department".

Subsec. (e). Pub. L. 103-446, §1201(e)(8), substituted "subsections (a) and (c) of section 1971" for "sections 1971(a) and (c)" and "subsections (d) and (e) of section 1971" for "sections 1971(d) and (e)".

Pub. L. 103-337, §651(d)(2), substituted "subparagraph (C) or (D) of section 1965(5)" for "section 1965(5)(C)".

1991—Pub. L. 102-83, §5(a), renumbered section 769 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted "1965(5)(B)" for "765(5)(B)", "1965(5)(C)" for "765(5)(C)", and "1966" for "766" in par. (2).

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (d)(1). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Subsec. (d)(2). Pub. L. 102-83, §5(c)(1), substituted "1966" for "766".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Subsec. (d)(3). Pub. L. 102-83, §5(c)(1), substituted "1982" for "782".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" and "Secretary's" for "Administrator's".

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places.

Subsec. (e). Pub. L. 102-83, §5(c)(1), substituted "1965(5)(C)" for "765(5)(C)", "1971(a)" for "771(a)", "1966(b)" for "766(b)", and "1971(d)" for "771(d)".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (f). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1988—Subsec. (g). Pub. L. 100-322 added subsec. (g).

1986—Subsec. (a)(1). Pub. L. 99-576, §701(39)(A), substituted "the member's" for "his".

Subsec. (a)(3). Pub. L. 99-576, §701(39)(B), substituted "the member" for "him".

Subsec. (a)(4). Pub. L. 99-576, §701(39)(C), substituted "the member" for "him" in two places and "the member's" for "his".

Subsec. (b). Pub. L. 99-576, §701(39)(D), substituted "the Administrator" for "he" before "shall determine".

Subsec. (d)(3). Pub. L. 99-576, §701(39)(E), substituted "the Administrator's" for "his".

Subsec. (e). Pub. L. 99-576, §701(39)(F), substituted "the Administrator" for "he" before "may determine".

1981—Subsec. (f). Pub. L. 97-66 added subsec. (f).

1974—Subsec. (a)(1). Pub. L. 93-289, §6(1), substituted "is insured under Servicemen's Group Life Insurance" for "is insured under a policy of insurance purchased by the Administrator, under section 766 of this title".

Subsec. (a)(2). Pub. L. 93-289, §6(2), added par. (2). Former par. (2) redesignated (3).

Subsec. (a)(3). Pub. L. 93-289, §6(1), (2), redesignated former par. (2) as (3), and substituted "is insured under Servicemen's Group Life Insurance" for "is insured under a policy of insurance purchased by the Administrator, under section 766 of this title." Former par. (3) redesignated (4).

Subsec. (a)(4). Pub. L. 93-289, §6(2), (3), redesignated former par. (3) as (4), and substituted "paragraph (1) or (2) hereof, or fiscal year amount under paragraph (3) hereof", for "subsection (1) hereof, or fiscal year amount under subsection (2) hereof", and "Servicemen's Group Life Insurance" for "this subchapter" in two places, and for "insurance under this subchapter".

Subsec. (b). Pub. L. 93-289, §6(4), substituted "Servicemen's Group Life Insurance" for "such insurance" in first sentence, and "Servicemen's Group Life Insurance" for "this subchapter" in second sentence.

Subsec. (c). Pub. L. 93-289, §6(5), substituted "Servicemen's Group Life Insurance" for "any such insurance".

Subsec. (d)(1). Pub. L. 93-289, §6(6), substituted "Servicemen's Group Life Insurance" for "any insurance policy or policies purchased under section 766 of this title".

Subsec. (d)(3). Pub. L. 93-289, §10(2), capitalized "Operating Expenses".

Subsec. (e). Pub. L. 93-289, §6(7), added subsec. (e).

1970—Subsec. (a). Pub. L. 91-291, §4(1), separated provisions covering deduction of the cost of insurance from the pay of members into provisions covering such deduction in the case of persons on active duty or active duty for training under a call or order to such duty that does not specify a period of not less than thirty-one days and provisions covering such deduction in the case of persons on active duty or active duty for training under a call or order to such duty specifying a period of less than thirty-one days or persons authorized or required to perform inactive duty training scheduled in advance by competent authority and inserted provision for the collection of sums from individuals by the Secretary concerned.

Subsec. (b). Pub. L. 91-291, §4(1), substituted the mortality which members and former members of the uni-

form services concerned would have been under peacetime conditions as determined by the Administrator for the mortality of the male civilian population of the United States of the same age as the median age of members of the uniformed services as shown by the records of the uniformed services, the primary insurer or insurers, and the Department of Health, Education, and Welfare as the standard against which the excess mortality suffered by members of the uniformed services would be measured to determine the extent to which the cost of insurance was traceable to the extra hazard of active duty in the uniformed services.

Subsec. (d)(1). Pub. L. 91-291, §4(2), inserted reference to collection of sums by Secretary concerned.

EFFECTIVE DATE OF 1988 AMENDMENT

Section 332(b) of Pub. L. 100-322 provided that: "The amendment made by subsection (a) [amending this section] shall take effect with respect to premiums paid for periods beginning after June 30, 1988."

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Oct. 17, 1981, see section 701(b)(1) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1970, 1971 of this title.

§ 1970. Beneficiaries; payment of insurance

(a) Any amount of insurance under this subchapter in force on any member or former member on the date of the insured's death shall be paid, upon the establishment of a valid claim therefor, to the person or persons surviving at the date of the insured's death, in the following order of precedence:

First, to the beneficiary or beneficiaries as the member or former member may have designated by a writing received prior to death (1) in the uniformed services if insured under Servicemen's Group Life Insurance, or (2) in the administrative office established under section 1966(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under Servicemen's Group Life Insurance, or if insured under Veterans' Group Life Insurance;

Second, if there be no such beneficiary, to the widow or widower of such member or former member;

Third, if none of the above, to the child or children of such member or former member and descendants of deceased children by representation;

Fourth, if none of the above, to the parents of such member or former member or the survivor of them;

Fifth, if none of the above, to the duly appointed executor or administrator of the estate of such member or former member;

Sixth, if none of the above, to other next of kin of such member or former member entitled under the laws of domicile of such member or former member at the time of the insured's death.

(b) If any person otherwise entitled to payment under this section does not make claim

therefor within one year after the death of the member or former member, or if payment to such person within that period is prohibited by Federal statute or regulation, payment may be made in the order of precedence as if such person had predeceased the member or former member, and any such payment shall be a bar to recovery by any other person.

(c) If, within two years after the death of the member or former member, no claim for payment has been filed by any person entitled under the order of precedence set forth in this section, and neither the Secretary nor the administrative office established by the insurance company or companies pursuant to section 1966(b) of this title has received any notice that any such claim will be made, payment may be made to a claimant as may in the judgment of the Secretary be equitably entitled thereto, and such payment shall be a bar to recovery by any other person.

(d) The member may elect settlement of insurance under this subchapter either in a lump sum or in thirty-six equal monthly installments. If no such election is made by the member the beneficiary or beneficiaries may elect settlement either in a lump sum or in thirty-six equal monthly installments. If the member has elected settlement in a lump sum, the beneficiary or beneficiaries may elect settlement in thirty-six equal monthly installments.

(e) Until and unless otherwise changed, a beneficiary designation and settlement option filed by a member with the member's uniformed service under prior provisions of law will be effective with respect to the increased insurance authorized under the Veterans' Insurance Act of 1974 and the insurance shall be settled in the same proportionate amount as the portion designated for such beneficiary or beneficiaries bore to the amount of insurance heretofore in effect.

(f) Notwithstanding the provisions of any other law, payment of matured Servicemen's Group Life Insurance or Veterans' Group Life Insurance benefits may be made directly to a minor widow or widower on his or her own behalf, and payment in such case shall be a complete acquittance to the insurer.

(g) Payments of benefits due or to become due under Servicemen's Group Life Insurance or Veterans' Group Life Insurance made to, or on account of, a beneficiary shall be exempt from taxation, shall be exempt from the claims of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to (1) collection of amounts not deducted from the member's pay, or collected from him by the Secretary concerned under section 1969(a) of this title, (2) levy under subchapter D of chapter 64 of the Internal Revenue Code of 1986 (26 U.S.C. 6331 et seq.) (relating to the seizure of property for collection of taxes), and (3) the taxation of any property purchased in part or wholly out of such payments.

(h) Insurance payable under this subchapter may not be paid in any amount to the extent that such amount would escheat to a State. Payment of insurance under this subchapter may not be made to the estate of the insured or

the estate of any beneficiary of the insured unless it is affirmatively shown that any amount to be paid will not escheat to a State. Any amount to be paid under this subchapter shall be reduced to the extent necessary to comply with this subsection.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 883, §770; amended Pub. L. 91-291, §5, June 25, 1970, 84 Stat. 330; Pub. L. 93-289, §7, May 24, 1974, 88 Stat. 169; Pub. L. 97-295, §4(31), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 97-306, title IV, §401(a), Oct. 14, 1982, 96 Stat. 1442; Pub. L. 99-576, title VII, §701(40), Oct. 28, 1986, 100 Stat. 3294; Pub. L. 102-54, §14(b)(17), June 13, 1991, 105 Stat. 284; renumbered §1970 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Veterans' Insurance Act of 1974, referred to in subsec. (e), is Pub. L. 93-289, May 24, 1974, 88 Stat. 165, as amended, which enacted sections 777, 778, and 779 [now 1977, 1978, and 1979] of this title, section 707 of Title 37, Pay and Allowances of the Uniformed Services, amended sections 723, 765, 767 to 771, and 774 [now 1923, 1965, 1967 to 1971, and 1974] of this title, and enacted provisions set out as notes under sections 723, 765, 767, and 768 [now 1923, 1965, 1967, and 1968] of this title and section 707 of Title 37. For complete classification of this Act to the Code, see Tables.

Subchapter D of chapter 64 of the Internal Revenue Code of 1986, referred to in subsec. (g)(3), is classified to subchapter D (§6331 et seq.) of chapter 64 of Title 26, Internal Revenue Code.

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 770 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted "1966(b)" for "766(b)".

Subsec. (c). Pub. L. 102-83, §5(c)(1), substituted "1966(b)" for "766(b)".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Subsec. (g)(1). Pub. L. 102-83, §5(c)(1), substituted "1969(a)" for "769(a)".

Subsec. (g)(2). Pub. L. 102-54 substituted "Internal Revenue Code of 1986" for "Internal Revenue Code of 1954".

1986—Subsec. (a). Pub. L. 99-576, §701(40)(A), substituted "the insured's" for "his" in two places in introductory text and in one place in par. Sixth.

Subsec. (e). Pub. L. 99-576, §701(40)(B), substituted "the member's" for "his".

1982—Subsec. (c). Pub. L. 97-306, §401(a)(1), struck out provision that if, within four years after the death of the member or former member, payment had not been made pursuant to this section and no claim for payment by any person entitled under this section was pending, the amount payable would escheat to the credit of the revolving fund referred to in section 769(d) of this title.

Subsec. (g). Pub. L. 97-295 inserted "(26 U.S.C. 6331 et seq.)" after "Code of 1954".

Subsec. (h). Pub. L. 97-306, §401(a)(2), added subsec. (h).

1974—Subsec. (a). Pub. L. 93-289, §7(1), included in par. First writings received in the administrative office established under section 766(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under Servicemen's Group Life Insurance, or if insured under Veterans' Group Life Insurance.

Subsec. (e). Pub. L. 93-289, §7(2), substituted "the Veterans' Insurance Act of 1974" for "this amendatory Act".

Subsecs. (f), (g). Pub. L. 93-289, §7(3), included payment of benefits under Veterans' Group Life Insurance.

1970—Subsecs. (e) to (g). Pub. L. 91-291 added subsecs. (e) to (g).

EFFECTIVE DATE OF 1982 AMENDMENT

Section 401(b) of Pub. L. 97-306 provided that: "The amendments made by subsection (a) [amending this section] shall take effect on October 1, 1982."

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1977 of this title.

§ 1971. Basic tables of premiums; readjustment of rates

(a) Each policy or policies purchased under section 1966 of this title shall include for the first policy year a schedule of basic premium rates by age which the Secretary shall have determined on a basis consistent with the lowest schedule of basic premium rates generally charged for new group life insurance policies issued to large employers, this schedule of basic premium rates by age to be applied, except as otherwise provided in this section, to the distribution by age of the amount of group life insurance under the policy at its date of issue to determine an average basic premium per \$1,000 of insurance. Each policy so purchased shall also include provisions whereby the basic rates of premium determined for the first policy year shall be continued for subsequent policy years, except that they may be readjusted for any subsequent year, based on the experience under the policy, such readjustment to be made by the insurance company or companies issuing the policy on a basis determined by the Secretary in advance of such year to be consistent with the general practice of life insurance companies under policies of group life insurance issued to large employers.

(b) The total premiums for Servicemen's Group Life Insurance shall be the sum of the amounts computed according to the provisions of subsection (a) above and the estimated cost traceable to the extra hazard of active duty in the uniformed services as determined by the Secretary, subject to the provision that such estimated costs traceable to the extra hazard shall be retroactively readjusted annually in accordance with section 1969(b).

(c) Each policy so purchased shall include a provision that, in the event the Secretary determines that ascertaining the actual age distribution of the amounts of group life insurance in force at the date of issue of the policy or at the end of the first or any subsequent year of insurance thereunder would not be possible except at a disproportionately high expense, the Secretary may approve the determination of a tentative average group life premium, for the first or any subsequent policy year, in lieu of using the actual age distribution. Such tentative average premium rate shall be redetermined by the Secretary during any policy year upon request by the insurance company or companies issuing the policy, if experience indicates that the assumptions made in determining the tentative average premium rate for that policy year were incorrect.

(d) Each policy so purchased shall contain a provision stipulating the maximum expense and risk charges for the first policy year, which charges shall have been determined by the Secretary on a basis consistent with the general level of such charges made by life insurance companies under policies of group life insurance issued to large employers. Such maximum charges shall be continued from year to year, except that the Secretary may redetermine such maximum charges for any year either by agreement with the insurance company or companies issuing the policy or upon written notice given by the Secretary to such companies at least one year in advance of the beginning of the year for which such redetermined maximum charges will be effective.

(e) Each such policy shall provide for an accounting to the Secretary not later than ninety days after the end of each policy year, which shall set forth, in a form approved by the Secretary, (1) the amounts of premiums actually accrued under the policy from its date of issue to the end of such policy year, (2) the total of all mortality and other claim charges incurred for that period, and (3) the amounts of the insurers' expense and risk charge for that period. Any excess of the total of item (1) over the sum of items (2) and (3) shall be held by the insurance company or companies issuing the policy as a special contingency reserve to be used by such insurance company or companies for charges under such policy only, such reserve to bear interest at a rate to be determined in advance of each policy year by the insurance company or companies issuing the policy, which rate shall be approved by the Secretary as being consistent with the rates generally used by such company or companies for similar funds held under other group life insurance policies. If and when the Secretary determines that such special contingency reserve has attained an amount estimated by the Secretary to make satisfactory provision for adverse fluctuations in future charges under the policy, any further excess shall be deposited to the credit of the revolving fund established under section 1969(d)(1) of this title. If and when such policy is discontinued, and if after all charges have been made, there is any positive balance remaining in such special contingency reserve, such balance shall be deposited to the credit of the revolving fund, subject to the right of the insurance company or companies issuing the policy to make such deposit in equal monthly installments over a period of not more than two years.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 884, §771; amended Pub. L. 93-289, §8, May 24, 1974, 88 Stat. 169; renumbered §1971 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 771 of this title as this section.

Subsec. (a). Pub. L. 102-83, §5(c)(1), substituted "1966" for "766".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Subsec. (b). Pub. L. 102-83, §5(c)(1), substituted "1969(b)" for "769(b)".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Subsecs. (c), (d), Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (e), Pub. L. 102-83, §5(c)(1), substituted "1969(d)(1)" for "769(d)(1)".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

1974—Subsec. (b), Pub. L. 93-289, §8(1), substituted "premiums for Servicemen's Group Life Insurance" for "premiums for the policy or policies".

Subsec. (e), Pub. L. 93-289, §8(2), substituted "section 769(d)(1) of this title" for "section 766 of this title".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1969, 1977 of this title.

§ 1972. Benefit certificates

The Secretary shall arrange to have each member insured under a policy purchased under section 1966 of this title receive a certificate setting forth the benefits to which the member is entitled thereunder, to whom such benefit shall be payable, to whom claims should be submitted, and summarizing the provisions of the policy principally affecting the member. Such certificate shall be in lieu of the certificate which the insurance company or companies would otherwise be required to issue.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 885, §772; renumbered §1972 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 772 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted "1966" for "766".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

§ 1973. Forfeiture

Any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections, refuses to perform service in the Armed Forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to Servicemen's Group Life Insurance under this subchapter. No such insurance shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 885, §773; renumbered §1973, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 773 of this title as this section.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1979 of this title.

§ 1974. Advisory Council on Servicemen's Group Life Insurance

(a) There is an Advisory Council on Servicemen's Group Life Insurance. The council consists of—

(1) the Secretary of the Treasury, who is the chairman of the council;

- (2) the Secretary of Defense;
- (3) the Secretary of Commerce;
- (4) the Secretary of Health and Human Services;
- (5) the Secretary of Transportation; and
- (6) the Director of the Office of Management and Budget.

Members of the council shall serve without additional compensation.

(b) The council shall meet at least once a year, or more often at the call of the Secretary of Veterans Affairs. The council shall review the operations of the Department under this subchapter and shall advise the Secretary on matters of policy relating to the Secretary's activities under this subchapter.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 885, §774; amended Pub. L. 91-291, §6, June 25, 1970, 84 Stat. 331; Pub. L. 93-289, §10(3), May 24, 1974, 88 Stat. 172; Pub. L. 97-295, §4(95)(A), Oct. 12, 1982, 96 Stat. 1313; Pub. L. 99-576, title VII, §701(41), Oct. 28, 1986, 100 Stat. 3294; Pub. L. 102-54, §14(b)(18), June 13, 1991, 105 Stat. 284; renumbered §1974, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 774 of this title as this section.

Pub. L. 102-54 amended section generally. Prior to amendment, section read as follows: "There is hereby established an Advisory Council on Servicemen's Group Life Insurance consisting of the Secretary of the Treasury as Chairman, the Secretary of Defense, the Secretary of Commerce, the Secretary of Health and Human Services, the Secretary of Transportation, and the Director of the Office of Management and Budget each of whom shall serve without additional compensation. The Council shall meet once a year, or oftener at the call of the Administrator, and shall review the operations under this subchapter and advise the Administrator on matters of policy relating to the Administrator activities thereunder."

1986—Pub. L. 99-576 substituted "the Administrator" for "his" before "activities".

1982—Pub. L. 97-295 substituted "Health and Human Services" for "Health, Education, and Welfare".

1974—Pub. L. 93-289 substituted "Office of Management and Budget" for "Bureau of the Budget".

1970—Pub. L. 91-291 added the Secretary of Transportation to the membership of the Advisory Council on Servicemen's Group Life Insurance.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-291 effective June 25, 1970, see section 14(a) of Pub. L. 91-291, set out as a note under section 1317 of this title.

TERMINATION OF ADVISORY COUNCILS

Advisory councils in existence on Jan. 5, 1973, to terminate not later than the expiration of the 2-year period following Jan. 5, 1973, unless, in the case of a council established by the President or an officer of the Federal Government, such council is renewed by appropriate action prior to the expiration of such 2-year period, or in the case of a council established by the Congress, its duration is otherwise provided by law. See sections 3(2) and 14 of Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, 776, set out in the Appendix to Title 5, Government Organization and Employees.

§ 1975. Jurisdiction of District Courts

The district courts of the United States shall have original jurisdiction of any civil action or

claim against the United States founded upon this subchapter.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 885, §775; renumbered §1975, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 775 of this title as this section.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 511 of this title.

§ 1976. Effective date

The insurance provided for in this subchapter and the deductions and contributions for that purpose shall take effect on the date designated by the Secretary and certified by the Secretary to each Secretary concerned.

(Added Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 885, §776; amended Pub. L. 99-576, title VII, §701(42), Oct. 28, 1986, 100 Stat. 3294; renumbered §1976 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 776 of this title as this section and substituted "Secretary" for "Administrator" in two places.

1986—Pub. L. 99-576 substituted "the Administrator" for "him" after "certified by".

INTERIM COVERAGE UNTIL EFFECTIVE DATE OF GROUP PLAN; \$5,000 DEATH GRATUITY

Section 3 of Pub. L. 89-214, as amended by Pub. L. 89-730, §6(a)-(d), Nov. 2, 1966, 80 Stat. 1159, provided for payment of a death gratuity of up to \$5,000 in certain cases of death of veterans while in active military, naval, or air service during the period from Jan. 1, 1957, to the date immediately preceding the date on which the Servicemen's Group Life Insurance program was placed in effect under this section, and required that an application for such gratuity had to be made within one year after Sept. 29, 1965.

Pub. L. 89-730, §6(e), Nov. 2, 1966, 80 Stat. 1159, provided that any waiver of future benefits executed by any person under section 3(a) of Pub. L. 89-214 (see above), as in effect prior to Nov. 2, 1966, was to have no effect.

Pub. L. 89-730, §6(f), Nov. 2, 1966, 80 Stat. 1159, provided that in any case in which the death gratuity paid to any person under section 3 of Pub. L. 89-214 (see above), was reduced pursuant to clause (B) of subsection (c)(1) of such section, as in effect prior to Nov. 2, 1966, the Administrator of Veterans' Affairs was to pay to such person an amount equal to the amount by which such death gratuity was reduced.

Pub. L. 89-730, §6(g), Nov. 2, 1966, 80 Stat. 1159, provided that notwithstanding the time limitation prescribed in section 3(a) of Pub. L. 89-214 (see above), any application for death gratuity filed under such section shall be valid if filed within one year after Nov. 2, 1966.

§ 1977. Veterans' Group Life Insurance

(a) Veterans' Group Life Insurance shall be issued in the amounts specified in section 1967(a) and (e) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 1967(b) and (e) or 1968(a) of this title. No person may carry a combined amount of Servicemen's Group Life Insurance

and Veterans' Group Life Insurance in excess of \$200,000 at any one time. Any person insured under Veterans' Group Life Insurance who again becomes insured under Servicemen's Group Life Insurance may within 60 days after becoming so insured convert any or all of such person's Veterans' Group Life Insurance to an individual policy of insurance under subsection (e). However, if such a person dies within the 60-day period and before converting such person's Veterans' Group Life Insurance, Veterans' Group Life Insurance will be payable only if such person is insured for less than \$200,000 under Servicemen's Group Life Insurance, and then only in an amount which when added to the amount of Servicemen's Group Life Insurance payable shall not exceed \$200,000.

(b) Veterans' Group Life Insurance shall (1) provide protection against death; (2) be issued on a renewable five-year term basis; (3) have no cash, loan, paid-up, or extended values; (4) except as otherwise provided, lapse for nonpayment of premiums; and (5) contain such other terms and conditions as the Secretary determines to be reasonable and practicable which are not specifically provided for in this section, including any provisions of this subchapter not specifically made inapplicable by the provisions of this section.

(c) The premiums for Veterans' Group Life Insurance shall be established under the criteria set forth in sections 1971(a) and (c) of this title, except that the Secretary may provide for average premiums for such various age groupings as the Secretary may decide to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Secretary directly to the administrative office established for such insurance under section 1966(b) of this title. In any case in which a member or former member who was mentally incompetent on the date such member or former member first became insured under Veterans' Group Life Insurance dies within one year of such date, such insurance shall be deemed not to have lapsed for nonpayment of premiums and to have been in force on the date of death. Where insurance is in force under the preceding sentence, any unpaid premiums may be deducted from the proceeds of the insurance. Any person who claims eligibility for Veterans' Group Life Insurance based on disability incurred during a period of duty shall be required to submit evidence of qualifying health conditions and, if required, to submit to physical examinations at their own expense.

(d) Any amount of Veterans' Group Life Insurance in force on any person on the date of such person's death shall be paid, upon the establishment of a valid claim therefor, pursuant to the provisions of section 1970 of this title. However, any designation of beneficiary or beneficiaries for Servicemen's Group Life Insurance filed with a uniformed service until changed, shall be considered a designation of beneficiary or beneficiaries for Veterans' Group Life Insurance, but not for more than sixty days after the effective date of the insured's Veterans' Group Insurance,

unless at the end of such sixty-day period, the insured is incompetent in which event such designation may continue in force until the disability is removed but not for more than five years after the effective date of the insured's Veterans' Group Life Insurance. Except as indicated above in incompetent cases, after such sixty-day period, any designation of beneficiary or beneficiaries for Veterans' Group Life Insurance to be effective must be by a writing signed by the insured and received by the administrative office established under section 1966(b) of this title.

(e) An insured under Veterans' Group Life Insurance shall have the right to convert such insurance to an individual policy of life insurance upon written application for conversion made to the participating company the insured selects and payment of the required premiums. The individual policy will be issued without medical examination on a plan then currently written by such company which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums in the event the insured performs active duty, active duty for training, or inactive duty training. The individual policy will be effective the day after the insured's Veterans' Group Life Insurance terminates by expiration of the five-year term period, except in a case where the insured is eligible to convert at an earlier date by reason of again having become insured under Servicemen's Group Life Insurance, in which event the effective date of the individual policy may not be later than the sixty-first day after the insured again became so insured. Upon request to the administrative office established under section 1966(b) of this title, an insured under Veterans' Group Life Insurance shall be furnished a list of life insurance companies participating in the program established under this subchapter. In addition to the life insurance companies participating in the program established under this subchapter, the list furnished to an insured under this section shall include additional life insurance companies (not so participating) which meet qualifying criteria, terms, and conditions established by the Secretary and agree to sell insurance to former members in accordance with the provisions of this section.

(f) The provisions of subsections (d) and (e) of section 1971 of this title shall be applicable to Veterans' Group Life Insurance. However, a separate accounting shall be required for each program of insurance authorized under this subchapter. In such accounting, the Secretary is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

(g) Any person whose Servicemen's Group Life Insurance was continued in force after termination of duty or discharge from service under the law as in effect prior to the date on which the Veterans' Group Life Insurance program (provided for under section 1977 of this title) became effective, and whose coverage under Servicemen's Group Life Insurance terminated less than four years prior to such date, shall be eligible within one year from the effective date of the Veterans' Group Life Insurance program to

apply for and be granted Veterans' Group Life Insurance in an amount equal to the amount of the insured's Servicemen's Group Life Insurance which was not converted to an individual policy under prior law. Veterans' Group Life Insurance issued under this subsection shall be issued for a term period equal to five years, less the time elapsing between the termination of the applicant's Servicemen's Group Life Insurance and the effective date on which the Veterans' Group Life Insurance program became effective. Veterans' Group Life Insurance under this subsection shall only be issued upon application to the administrative office established under section 1966(b) of this title, payment of the required premium, and proof of good health satisfactory to that office, which proof shall be submitted at the applicant's own expense. Any person who cannot meet the good health requirements for insurance under this subsection solely because of a service-connected disability shall have such disability waived. For each month for which any eligible veteran, whose service-connected disabilities are waived, is insured under this subsection there shall be contributed to the insurer or insurers issuing the policy or policies from the appropriation "Compensation and Pensions, Department of Veterans Affairs" an amount necessary to cover the cost of the insurance in excess of the premiums established for eligible veterans, including the cost of the excess mortality attributable to such veteran's service-connected disabilities. The Secretary may establish, as the Secretary may determine to be necessary according to sound actuarial principles, a separate premium, age groupings for premium purposes, accounting, and reserves, for persons granted insurance under this subsection different from those established for other persons granted insurance under this section. Appropriations to carry out the purpose of this section are hereby authorized.

(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Secretary and the payment of premiums as required under this section.

(2) In accordance with subsection (b), Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

(3) For the purpose of this subsection, the terms "Individual Ready Reserve" and "Inactive National Guard" shall have the meanings prescribed by the Secretary in consultation with the Secretary of Defense.

(Added Pub. L. 93-289, §9(a), May 24, 1974, 88 Stat. 169, §777; amended Pub. L. 97-66, title IV, §401(b), Oct. 17, 1981, 95 Stat. 1031; Pub. L. 99-166, title IV, §401(b), Dec. 3, 1985, 99 Stat. 957; Pub. L. 99-576, title VII, §701(43), Oct. 28, 1986, 100 Stat. 3294; Pub. L. 102-25, title III, §336(b), Apr. 6, 1991, 105 Stat. 90; renumbered §1977 and amended Pub. L. 102-83, §§4(a)(2)(B)(iii), (b)(1), (2)(E), 5(a),

(c)(1), Aug. 6, 1991, 105 Stat. 403-406; Pub. L. 102-568, title II, § 202, Oct. 29, 1992, 106 Stat. 4324; Pub. L. 103-446, title XII, § 1201(e)(9), Nov. 2, 1994, 108 Stat. 4685.)

AMENDMENTS

1994—Subsec. (f). Pub. L. 103-446 substituted “subsections (d) and (e) of section 1971” for “sections 1971(d) and (e)”.

1992—Subsec. (a). Pub. L. 102-568, § 202(1), inserted “and (e)” after “1967(a)” and after “1967(b)”, substituted “\$200,000” for “\$100,000” wherever appearing, “60 days” for “sixty days”, and “60-day period” for “sixty-day period”, and struck out “of this section” after “subsection (e)”.

Subsec. (b)(2). Pub. L. 102-568, § 202(2), substituted “renewable” for “nonrenewable”.

Subsec. (h)(2). Pub. L. 102-568, § 202(3), substituted “In accordance with subsection (b)” for “Notwithstanding subsection (b)(2) of this section”.

1991—Pub. L. 102-83, § 5(a), renumbered section 777 of this title as this section.

Subsec. (a). Pub. L. 102-83, § 5(c)(1), substituted “1967(a)” for “767(a)” and “1967(b) or 1968(a)” for “767(b) or 768(a)”.

Pub. L. 102-25 substituted “\$100,000” for “\$50,000” wherever appearing.

Subsec. (b). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Subsec. (c). Pub. L. 102-83, § 5(c)(1), substituted “1971(a)” for “771(a)” and “1966(b)” for “766(b)”.

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator” wherever appearing.

Subsec. (d). Pub. L. 102-83, § 5(c)(1), substituted “1970” for “770” and “1966(b)” for “766(b)”.

Subsec. (e). Pub. L. 102-83, § 5(c)(1), substituted “1966(b)” for “766(b)”.

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Subsec. (f). Pub. L. 102-83, § 5(c)(1), substituted “1971(d)” for “771(d)”.

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

Subsec. (g). Pub. L. 102-83, § 5(c)(1), substituted “1977” for “777” and “1966(b)” for “766(b)”.

Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator” in two places.

Pub. L. 102-83, § 4(a)(2)(B)(iii), substituted “Department of Veterans Affairs” for “Veterans’ Administration”.

Subsec. (h)(1), (3). Pub. L. 102-83, § 4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

1986—Subsec. (a). Pub. L. 99-576, § 701(43)(A), substituted “such person’s” for “his” in two places and “such person” for “he”.

Subsec. (c). Pub. L. 99-576, § 701(43)(B), substituted “the Administrator” for “he” in first sentence and “such member or former member” for “he” in third sentence.

Subsec. (d). Pub. L. 99-576, § 701(43)(C), substituted “such person’s” for “his”.

Subsec. (e). Pub. L. 99-576, § 701(43)(D), substituted “the insured” for “he” in first and third sentences.

Subsec. (g). Pub. L. 99-576, § 701(43)(E), substituted “the insured’s” for “his” and “the Administrator” for “he”.

1985—Subsec. (a). Pub. L. 99-166, § 401(b)(1), substituted “Veterans’ Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans’ Group Life Insurance may not exceed the amount of Servicemen’s Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title” for “Veterans’ Group Life Insurance shall be issued in the amount of \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, \$30,000 or \$35,000 only” and “\$50,000” for “\$35,000” in three places.

Subsec. (h). Pub. L. 99-166, § 401(b)(2), added subsec. (h).

1981—Subsec. (a). Pub. L. 97-66 inserted figures of \$25,000, \$30,000, and \$35,000 to the enumeration of allowable amounts in which Veterans’ Group Life Insurance may be issued, and substituted \$35,000 for \$20,000 as the maximum amount of combined Servicemen’s Group Life Insurance and Veterans’ Group Life Insurance which a person may carry at any one time and as the figure covering situations in which a person insured under Veterans’ Group Life Insurance dies within the sixty-day period after having again become insured under Servicemen’s Group Life Insurance before converting his Veterans’ Group Life Insurance to an individual policy.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-568 effective Dec. 1, 1992, see section 205 of Pub. L. 102-568, set out as an Effective Date note under section 1922A of this title.

EFFECTIVE DATE OF 1985 AMENDMENT

Amendment by Pub. L. 99-166 effective Jan. 1, 1986, see section 401(c)(1) of Pub. L. 99-166, set out as a note under section 1967 of this title.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-66 effective Dec. 1, 1981, see section 701(b)(2) of Pub. L. 97-66, set out as a note under section 1114 of this title.

EFFECTIVE DATE

Section effective first day of third calendar month following May 1974, see section 12(4) of Pub. L. 93-289, set out as an Effective Date of 1974 Amendment note under section 1968 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1968 of this title.

§ 1978. Reinstatement

Reinstatement of insurance coverage granted under this subchapter but lapsed for nonpayment of premiums shall be under terms and conditions prescribed by the Secretary.

(Added Pub. L. 93-289, § 9(a), May 24, 1974, 88 Stat. 172, § 778; renumbered § 1978 and amended Pub. L. 102-83, §§ 4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 778 of this title as this section and substituted “Secretary” for “Administrator”.

EFFECTIVE DATE

Section effective first day of third calendar month following May 1974, see section 12(4) of Pub. L. 93-289, set out as an Effective Date of 1974 Amendment note under section 1968 of this title.

§ 1979. Incontestability

Subject to the provision of section 1973 of this title, insurance coverage granted under this subchapter shall be incontestable from the date of issue, reinstatement, or conversion except for fraud or nonpayment of premium.

(Added Pub. L. 93-289, § 9(a), May 24, 1974, 88 Stat. 172, § 779; renumbered § 1979 and amended Pub. L. 102-83, § 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 779 of this title as this section and substituted “1973” for “773”.

EFFECTIVE DATE

Section effective first day of third calendar month following May 1974, see section 12(4) of Pub. L. 93-289, set out as an Effective Date of 1974 Amendment note under section 1968 of this title.

SUBCHAPTER IV—GENERAL

AMENDMENTS

1965—Pub. L. 89-214, §1(a), Sept. 29, 1965, 79 Stat. 880, redesignated "SUBCHAPTER III—GENERAL" as "SUBCHAPTER IV—GENERAL".

§ 1981. Replacement of surrendered and expired insurance

(a) Any person who surrendered a policy of National Service Life Insurance or United States Government life insurance on a permanent plan for its cash value while in the active service after April 24, 1951, and before January 1, 1957, who was entitled on December 31, 1958, to reinstate or replace such insurance under section 623 of the National Service Life Insurance Act of 1940, may, upon application in writing made while on continuous active duty which began before January 1, 1959, or within one hundred and twenty days after separation therefrom, be granted, without medical examination, permanent plan insurance on the same plan not in excess of the amount surrendered for cash, or may reinstate such surrendered insurance upon payment of the required reserve and the premium for the current month. Waiver of premiums and total disability income benefits otherwise authorized under this chapter shall not be denied in any case of issue or reinstatement of insurance on a permanent plan under this section or the prior corresponding provision of law in which it is shown to the satisfaction of the Secretary that total disability of the applicant began before the date of application. The cost of the premiums waived and total disability income benefits paid by virtue of the preceding sentence and the excess mortality cost in any case where the insurance matures by death from such total disability shall be borne by the United States and the Secretary shall transfer from time to time from the National Service Life Insurance appropriation to the National Service Life Insurance Fund and from the military and naval insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to reimburse the funds for such costs.

(b) Any person who had United States Government life insurance or National Service Life Insurance on the five-year level premium term plan, the term of which expired while such person was in the active service after April 25, 1951, or within one hundred and twenty days after separation from such active service, and in either case before January 1, 1957, who was entitled on December 31, 1958, to replace such insurance under section 623 of the National Service Life Insurance Act of 1940, shall, upon application made while on continuous active duty which began before January 1, 1959, or within one hundred and twenty days after separation therefrom, payment of premiums and evidence of good health satisfactory to the Secretary, be granted an equivalent amount of insurance on

the five-year level premium term plan at the premium rate for such person's then attained age.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1164, §781; Pub. L. 99-576, title VII, §701(44), Oct. 28, 1986, 100 Stat. 3294; renumbered §1981 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

REFERENCES IN TEXT

Section 623 of the National Service Life Insurance Act of 1940, referred to in subsecs. (a) and (b), is section 623 of act Oct. 8, 1940, ch. 757, title VI, pt. I, as added Aug. 1, 1956, ch. 837, title V, §501(a)(4), 70 Stat. 880, which enacted section 824 of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this section by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 781 of this title as this section and substituted "Secretary" for "Administrator" wherever appearing.

1986—Subsec. (b). Pub. L. 99-576 substituted "such person" for "he" and "such person's" for "his".

§ 1982. Administrative cost

The United States shall bear the cost of administration in connection with this chapter, including expenses for medical examinations, inspections when necessary, printing and binding, and for such other expenditures as are necessary in the discretion of the Secretary.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1165, §782; renumbered §1982 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 782 of this title as this section and substituted "Secretary" for "Administrator".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1925, 1969 of this title.

§ 1983. Settlements for minors or incompetents

When an optional mode of settlement of National Service Life Insurance or United States Government life insurance heretofore or hereafter matured is available to a beneficiary who is a minor or incompetent, such option may be exercised by such beneficiary's fiduciary, person qualified under the Act of February 25, 1933 (25 U.S.C. 14), or person recognized by the Secretary as having custody of the person or the estate of such beneficiary, and the obligation of the United States under the insurance contract shall be fully satisfied by payment of benefits in accordance with the mode of settlement so selected.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1165, §783; Pub. L. 99-576, title VII, §701(45), Oct. 28, 1986, 100 Stat. 3294; Pub. L. 102-54, §14(b)(19), June 13, 1991, 105 Stat. 284; renumbered §1983 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 783 of this title as this section and substituted "Secretary" for "Administrator".

Pub. L. 102-54 substituted "the Act of February 25, 1933 (25 U.S.C. 14)" for "section 14 of title 25".

1986—Pub. L. 99-576 substituted "such beneficiary's" for "his".

§ 1984. Suits on insurance

(a) In the event of disagreement as to claim, including claim for refund of premiums, under contract of National Service Life Insurance, United States Government life insurance, or yearly renewable term insurance between the Secretary and any person or persons claiming thereunder an action on the claim may be brought against the United States either in the United States District Court for the District of Columbia or in the district court of the United States in and for the district in which such person or any one of them resides, and jurisdiction is conferred upon such courts to hear and determine all such controversies. All persons having or claiming to have an interest in such insurance may be made parties to such suit, and such as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct. In all cases where the Secretary acknowledges the indebtedness of the United States upon any such contract of insurance and there is a dispute as to the person or persons entitled to payment, a suit in the nature of a bill of interpleader may be brought at the request of the Secretary in the name of the United States against all persons having or claiming to have any interest in such insurance in the United States District Court for the District of Columbia or in the district court in and for the district in which any such claimant resides; however, no less than thirty days before instituting such suit the Secretary shall mail a notice of such intention to each of the persons to be made parties to the suit. The courts of appeals for the several circuits, including the District of Columbia, shall respectively exercise appellate jurisdiction and, except as provided in section 1254 of title 28, the decrees of such courts of appeals shall be final.

(b) No suit on yearly renewable term insurance, United States Government life insurance, or National Service Life Insurance shall be allowed under this section unless the same shall have been brought within six years after the right accrued for which the claim is made. For the purposes of this section it shall be deemed that the right accrued on the happening of the contingency on which the claim is founded. The limitation of six years is suspended for the period elapsing between the filing with the Secretary of the claim sued upon and the denial of the claim. However, if a claim is timely filed the claimant shall have not less than ninety days from the date of mailing of notice of denial within which to file suit. After June 28, 1936, notice of denial of the claim under a contract of insurance shall be by registered mail or by certified mail directed to the claimant's last address of record. Infants, insane persons, or persons under other legal disability, or persons rated as incompetent or insane by the Secretary shall have three years in which to bring suit after the removal of their disabilities. If suit is

seasonably begun and fails for defect in process, or for other reasons not affecting the merits, a new action, if one lies, may be brought within a year though the period of limitation has elapsed. No State or other statute of limitations shall be applicable to suits filed under this section.

(c) In any suit, action, or proceeding brought under the provisions of this section subpoenas for witnesses who are required to attend a court of the United States in any district may run into any other district. However, no writ of subpoena shall issue for witnesses living out of the district in which the court is held at a greater distance than one hundred miles from the place of holding the same without the permission of the court being first had upon proper application and cause shown. The word "district" and the words "district court" as used in this section shall be construed to include the District of Columbia and the United States District Court for the District of Columbia.

(d) Attorneys of the Department, when assigned to assist in the trial of cases, and employees of the Department when ordered in writing by the Secretary to appear as witnesses, shall be paid the regular travel and subsistence allowance paid to other employees when on official travel status.

(e) Part-time and fee-basis employees of the Department, in addition to their regular travel and subsistence allowance, when ordered in writing by the Secretary to appear as witnesses in suits under this section, may be allowed, within the discretion and under written orders of the Secretary, a fee in an amount not to exceed \$50 per day.

(f) Employees of the Department who are subpoenaed to attend the trial of any suit, under the provisions of this section, as witnesses for a party to such suit shall be granted court leave or authorized absence, as applicable, for the period they are required to be away from the Department in answer to such subpoenas.

(g) Whenever a judgment or decree shall be rendered in an action brought under the provisions of this section, the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same if proper, said fees not to exceed 10 per centum of the amount recovered and to be paid by the Department out of the payments to be made under the judgment or decree at a rate not exceeding one-tenth of each of such payments until paid; except that, in a suit brought by or on behalf of an insured during the insured's lifetime for waiver of premiums on account of total disability, the court, as part of its judgment or decree, shall determine and allow a reasonable fee to be paid by the insured to the insured's attorney.

(h) The term "claim" as used in this section means any writing which uses words showing an intention to claim insurance benefits; and the term "disagreement" means a denial of the claim, after consideration on its merits, by the Secretary or any employee or organizational unit of the Department heretofore or hereafter designated therefor by the Secretary.

(i) The Attorney General of the United States is authorized to agree to a judgment to be ren-

dered by the chief judge of the United States court having jurisdiction of the case, pursuant to compromise approved by the Attorney General upon the recommendation of the United States attorney charged with the defense, upon such terms and for sums within the amount claimed to be payable, in any suit brought under the provisions of this section, on a contract of yearly renewable term insurance, and the Secretary shall make payments in accordance with any such judgment. The Comptroller General of the United States shall allow credit in the accounts of disbursing officers for all payments of insurance made in accordance with any such judgment. All such judgments shall constitute final settlement of the claim and no appeal therefrom shall be authorized.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1165, §784; Pub. L. 86-507, §1(32), June 11, 1960, 74 Stat. 202; Pub. L. 97-295, §4(32), Oct. 12, 1982, 96 Stat. 1307; Pub. L. 99-576, title VII, §701(46), Oct. 28, 1986, 100 Stat. 3294; renumbered §1984 and amended Pub. L. 102-83, §§4(a)(2)(A)(iii)(VII), (VIII), (D)(ii), (3), (4), (b)(1), (2)(E), 5(a), Aug. 6, 1991, 105 Stat. 403-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 784 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(a)(2)(A)(iii)(VII), substituted "Secretary" for "Veterans' Administration" wherever appearing.

Subsec. (b). Pub. L. 102-83, §4(a)(2)(D)(ii), substituted "with the Secretary" for "in the Veterans' Administration".

Pub. L. 102-83, §4(a)(2)(A)(iii)(VIII), substituted "Secretary" for "Veterans' Administration" before "shall".

Subsec. (d). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places.

Subsec. (e). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Subsecs. (f), (g). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" wherever appearing.

Subsec. (h). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Subsec. (i). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

1986—Subsec. (g). Pub. L. 99-576 substituted "the insured's" for "his" in two places.

1982—Subsec. (b). Pub. L. 97-295, §4(32)(A), substituted "the claim. However, if" for "said claim: *Provided*, That in any case in which".

Subsec. (c). Pub. L. 97-295, §4(32)(B), substituted "district. However," for "district: *Provided*, That", and substituted "in this section" for "herein" after "as used".

1960—Subsec. (b). Pub. L. 86-507 inserted "or by certified mail" after "registered mail".

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 108, 511, 1947, 1985, 5905 of this title.

§ 1985. Decisions by the Secretary

Except in the event of suit as provided in section 1984 of this title, or other appropriate court proceedings, all decisions rendered by the Secretary under the provisions of this chapter shall be final and conclusive on all questions of law or

fact, and no other official of the United States shall have jurisdiction to review any such decisions.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1167, §785; renumbered §1985 and amended Pub. L. 102-83, §§4(b)(1), (2)(E), 5(a), (c)(1), Aug. 6, 1991, 105 Stat. 404-406.)

AMENDMENTS

1991—Pub. L. 102-83, §5(a), renumbered section 785 of this title as this section.

Pub. L. 102-83, §5(c)(1), substituted "1984" for "784".

Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in section catchline and in text.

§ 1986. Deposits in and disbursements from trust funds

All cash balances in the United States Government Life Insurance Fund and the National Service Life Insurance Fund on January 1, 1959, together with all moneys thereafter accruing to such funds, including premiums, appropriated moneys, the proceeds of any sales of investments which may be necessary to meet current expenditures, and interest on investments, shall be available for disbursement for meeting all expenditures and making investments authorized to be made from such funds.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1167, §786; renumbered §1986, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 786 of this title as this section.

§ 1987. Penalties

(a) Any person who shall knowingly make or cause to be made, or conspire, combine, aid, or assist in, agree to, arrange for, or in anywise procure the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, or writing purporting to be such, concerning any application for insurance or reinstatement thereof, waiver of premiums or claim for benefits under National Service Life Insurance, United States Government life insurance, or yearly renewable term insurance for any person, shall be fined not more than \$1,000, or be imprisoned for not more than one year, or both.

(b) Whoever in any claim for National Service Life Insurance, United States Government life insurance, or yearly renewable term insurance makes any sworn statement of a material fact knowing it to be false, shall be guilty of perjury and shall be fined not more than \$5,000, or be imprisoned for not more than two years, or both.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1167, §787; Pub. L. 99-576, title VII, §701(47), Oct. 28, 1986, 100 Stat. 3294; renumbered §1987, Pub. L. 102-83, §5(a), Aug. 6, 1991, 105 Stat. 406.)

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 787 of this title as this section.

1986—Subsec. (a). Pub. L. 99-576 substituted "any" for "himself or any other".

§ 1988. Savings provision

Nothing in this title or any amendment or repeal made by the Act enacting this title shall affect any right, remedy, liability, authorization or requirement pertaining to Government insurance, the respective insurance funds, or the insurance appropriations, authorized or prescribed under the provisions of the War Risk Insurance Act, the World War Veterans' Act, 1924, the National Service Life Insurance Act of 1940, or any related Act, which was in effect on December 31, 1958.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1167, § 788; renumbered § 1988, Pub. L. 102-83, § 5(a), Aug. 6, 1991, 105 Stat. 406.)

REFERENCES IN TEXT

The War Risk Insurance Act, referred to in text, is act Sept. 2, 1914, ch. 293, 38 Stat. 711, as amended. Sections 600 and 601 of the World War Veterans' Act, 1924 (act June 7, 1924, ch. 320, 43 Stat. 607, 629) repealed the War Risk Insurance Act subject to certain limitations provided in section 602 thereof.

The World War Veterans' Act, 1924, referred to in text, is act June 7, 1924, ch. 320, 43 Stat. 607, as amended, which was classified generally to chapter 10 (§§ 421 to 574) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed by Pub. L. 85-857, § 14(51), Sept. 2, 1958, 72 Stat. 1271. For distribution of sections 421 to 574 of former Title 38 in this title, see Table preceding section 101 of this title.

The National Service Life Insurance Act of 1940, referred to in text, is act Oct. 8, 1940, ch. 757, title VI, part I, 54 Stat. 1008, as amended, which was classified generally to chapter 13 (§ 801 et seq.) of former Title 38, Pensions, Bonuses, and Veterans' Relief, and which was repealed and the provisions thereof reenacted as this subchapter by Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1105.

PRIOR PROVISIONS

Prior sections 2000 and 2001 were renumbered sections 4100 and 4101 of this title, respectively.

Another prior section 2001, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1217, related to compensation for veterans under agreements with States, prior to repeal by section 1(a) of Pub. L. 87-675.

Prior section 2002 was renumbered section 4102 of this title.

Another prior section 2002, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1217, related to compensation for veterans in absence of agreements with States, prior to repeal by section 1(a) of Pub. L. 87-675.

Prior sections 2002A and 2003 were renumbered sections 4102A and 4103 of this title, respectively.

Another prior section 2003, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1218, related to payments to the States equal to payments made by them in accordance with an agreement under chapter 41 of this title, prior to repeal by section 1(a) of Pub. L. 87-675.

Prior sections 2003A and 2004 were renumbered sections 4103A and 4104 of this title, respectively.

Another prior section 2004, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1219, related to information necessary to determine a veteran's entitlement to compensation and which all Federal departments and agencies were required to make available to State agencies or to the Secretary, prior to repeal by section 1(a) of Pub. L. 87-675.

Prior sections 2004A and 2005 were renumbered sections 4104A and 4105 of this title, respectively.

Another prior section 2005, Pub. L. 85-837, Sept. 2, 1958, 72 Stat. 1219, related to penalties for making false statements or representations, or for knowledgeable failure to disclose material facts in order to obtain or increase payments under chapter 41 of this title, prior to repeal by section 1(a) of Pub. L. 87-675.

Prior section 2006 was renumbered section 4106 of this title.

Another prior section 2006, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1219, authorized the Secretary to make rules and regulations necessary to carry out the provisions of chapter 41 of this title, and required him to consult with representatives of the State unemployment compensation agencies before prescribing any rules which could affect the performance of such agencies, prior to repeal by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2007 was renumbered section 4107 of this title.

Another prior section 2007, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1220; Pub. L. 86-70, § 29(b), June 25, 1959, 73 Stat. 148; Pub. L. 86-624, § 25(c), July 12, 1960, 74 Stat. 418, defined "Korean conflict veterans", "unemployment compensation", and "State", prior to repeal by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2008 was renumbered section 4108 of this title.

Another prior section 2008, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1220, enumerated provisions which forbade duplication of benefits, prior to repeal by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2009 was renumbered section 4109 of this title.

Another prior section 2009, Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1221, provided termination dates for the payment of benefits under chapter 41 of this title, prior to repeal by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2010 was renumbered section 4110 of this title.

Another prior section 2010 was renumbered section 2001 of this title, by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2010A was renumbered section 4110A of this title.

Prior section 2011 was renumbered section 4211 of this title.

Another prior section 2011 was renumbered section 2002 of this title by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2012 was renumbered section 4212 of this title.

Another prior section 2012 was renumbered section 2003 of this title by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2013 was renumbered section 4213 of this title.

Another prior section 2013 was renumbered section 2004 of this title by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior section 2014 was renumbered section 4214 of this title.

Another prior section 2014 was renumbered section 2005 of this title by Pub. L. 87-675, § 1(a), Sept. 19, 1962, 76 Stat. 558.

Prior sections 2021 to 2027 were renumbered sections 4301 to 4307 of this title, respectively, and subsequently omitted in the general amendment of chapter 43 of this title by Pub. L. 103-353, § 2(a), Oct. 13, 1994, 108 Stat. 3150.

AMENDMENTS

1991—Pub. L. 102-83 renumbered section 788 of this title as this section.

CHAPTER 21—SPECIALLY ADAPTED HOUSING FOR DISABLED VETERANS

Sec.	
2101.	Veterans eligible for assistance.
2102.	Limitations on assistance furnished.
2103.	Furnishing of plans and specifications.
2104.	Benefits additional to benefits under other laws.
2105.	Nonliability of United States.
2106.	Veterans' mortgage life insurance.